

**PENNS GROVE-CARNEYS POINT
REGIONAL
SCHOOL DISTRICT**

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

**Penns Grove-Carneys Point Regional Board of Education
Penns Grove, New Jersey**

For the Fiscal Year Ended June 30, 2015

Prepared by
Penns Grove-Carneys Point Board of Education
Finance Department

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OF THE PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
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PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

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November 16, 2015

Honorable President and Members
of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem
Penns Grove, N.J. 08069-2057

Dear Board Members:

The comprehensive annual financial report of the Penns Grove-Carneys Point Regional School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures that we feel are necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and the New Jersey State Treasury Circular Letter 04-04 OMB and/or 15-08 OMB, "Single Audit Policy for Recipients of Federal Awards, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. REPORTING ENTITY AND ITS SERVICES:

Penns Grove-Carneys Point Regional School District is an independent reporting entity within the criteria adopted by the GASB Statement No. 14. All funds of the District are included in this report. The Penns Grove-Carneys Point Regional School District Board of Education and all its schools constitute the District's reporting entity.

We are an Equal Opportunity Employer - F/M

General

The School District, serving Penns Grove and Carneys Point, was formed pursuant to Chapter 13 of Title 18A of New Jersey Statutes, which authorizes two or more municipalities to create a regional school district upon the approval of the voters of each of said municipalities. The School District is one of “all purpose” in that it was organized for all of the school purposes of the municipalities included within such regional districts.

The School District is geographically conterminous with Penns Grove and Carneys Point, which are located in Salem County in the southwestern part of the State, approximately 10 miles from Wilmington and 30 miles from Philadelphia.

Facilities

The School District operates five schools: Lafayette-Pershing Schools (Pre-school through Kindergarten), Field Street School (Grades 1 through 3), Paul W. Carleton (Grades 4 through 5), Penns Grove Middle School (Grades 6 through 8), Penns Grove High School (Grades 9 through 12), and an administrative office building.

Staff

The facility for the School District consists of a superintendent, a business administrator, four directors, five principals, three assistant principals and a staff of 212 full-time teachers/professional positions serving a total enrollment of 2,289 students, as of October 14, 2014. The School District has had full academic accreditation. The business of the School District by the Board, consisting of nine members: five members from the Township of Carneys Point, the more populace of the constituent municipalities, and four members from the Borough of Penns Grove.

In addition to the teaching/professional staff, the School District employs 82 instructional and non-instructional aides, 30 cafeteria workers, 21 full-time secretaries, 31 maintenance/custodial staff, and technology staff.

The following details the changes in student enrollment of the District over the last ten years:

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	2,289	(2.26)%
2013-14	2,342	1.17%
2012-13	2,315	(3.02)%
2011-12	2,387	0.63%
2010-11	2,372	(2.63)%
2009-10	2,436	(1.18)%
2008-09	2,465	(0.52)%
2007-08	2,478	5.31%
2006-07	2,353	1.69%
2005-06	2,314	0.52%

2. ECONOMIC CONDITION AND OUTLOOK:

Within the District are several large industries which provide tax ratable and jobs to the municipalities. Construction of new housing is expected to result in a slightly increased tax base and School District enrollment.

3. MAJOR INITIATIVES/CURRICULA INITIATIVES:

1a. District Statement of Priorities

- **Maintaining Our School System**

The acquisition of new programs/resources in the subject areas of English Language Arts and Mathematics that will be aligned with the 21st Century requirements. The new programs/resources will be incorporating cloud based applications, digital devices, web based textbooks, and libraries. A Balanced Literacy program that will scaffold the learning in reading, phonics, fluency, vocabulary to access complex information in literacy text while incorporating writing learning and skills necessary to be successful writers. Mathematics incorporates active and personalized instructional lessons that are web based. It personalizes the lesson to address the needs of each learner at their proficiency level. Assessments are built in every level to provide strategic teaching interventions for students below level, at-level and above level. A student learning plan is develop based on the data obtained from formative and summative assessments.

- **Raising Standards and Expanding Opportunities**

To support the ongoing communication and collaboration on the Common Core Content Standards, OnCourse Curriculum Builder Platform is used to develop, update and revise the K-12 curricular guides. OnCourse SGO Program will provide increased alignment of assessments to curricular goals for benchmarking student progress.

The Penns Grove High School has been actively working with the NJDOE RAC team in the school-wide strategies to improve the graduation rate through the School Improvement Plan (SIP). Strategies to increase graduation rate continue to be implemented a variety of resources that include Option II for struggling and advanced students to work in blended learning environments and earning dual credits. With the goal to increase the graduation rate in consultation with the RAC, lab courses are provided for targeted instructional support to students who are two or more grade levels behind in literacy and math. The teachers have revised and implemented curricula aligned with CCSS in ELA and math with assessments taking place on a 6-8 week cycle resulting in data used to inform instruction. Pearson's My Foundations Lab with Accuplacer has been implemented in the 9-11 English Language Arts and Mathematics Targeted Assistance Classrooms to remediate skill deficiencies. In addition, the Penns Grove High School has been facilitating activities to engage the school and community to improve the school climate and the culture. With the implementation of the Transition Project, the high school has continued to reduce the number of drop-outs by supporting the emotional, behavioral, social and academic environment of the students and their families. The high school has completed many of the strategies listed in the SIP Plan with the assistance and support of the RAC personnel.

- Building Professionalism

The leadership team of teachers and administrators continues to receive sustained and ongoing trainings as the continued use of the requirements through Achieve NJ are taking place to ensure fidelity. The leadership team revises evidence documents on a yearly basis to ensure that initiatives for growth of our staff are reflected through the evaluation process. Standards Solutions will provide continued growth and development of English Language Arts requirements as indicated in the Common Core States Standards. The use of Learning Focus strategies will enhance the delivery of instruction. PD360 provides professional development strategies for growth and development of instructional practices, classroom management, and staff collaboration through virtual professional development learning communities. The district continues to provide coaching and mentoring trainings using services from EIRC, Rowan University, Rutgers University, or Salem Community College.

- Protecting Our Investment (Capital & Maintenance Projects/Capital Reserve)

Through the approval of Regular Operating District (ROD), the Board of Education continues to address the needs of the facilities and transferring funds into the capital reserve funds.

- Planning for the Future

Continue to support and expand the Academy of Engineering and Technologies Program in the high school to reflect the input of the Task Force and the Advisory Committee representing parents, staff, students, industry, and colleges. Maintain a review board to revise the Academy's curriculum.

Continue the district's Strategic Planning Committee to develop a three-year plan of district and building level articulation in the areas of Math and Science to reflect the revised NJCCCS.

2. Core Curriculum Content Standards

Briefly describe new programs or enhancements to existing programs that will ensure the implementation of the Core Curriculum Content Standards in the 2015-2016 school year.

Content Standards

New Programs/Enhancements

1. Math

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Integration of 21st Century Learning with "Cloud Based Applications" has been enhanced for student collaboration and formative assessments. Teaching Strategies Gold has been implemented in Pre-Kindergarten and Kindergarten classroom to provide assessment of authentic learning tasks as part of the NJGROW and NJKEA Early Childhood Initiative from the NJDOE. IXL web-based program has been added to Grades K-5 for digital learning applications.

Several classrooms in Grades 1-5 are participating in a pilot through Pearson's Envisions Math program to complete a side-by-side comparative analysis of program effectiveness in providing resources that are aligned to the Common Core States Standards. Unit Assessments continue to be revised to include Type 1, 2, and 3 assessments prompts as indicated in the PARCC Performance Level Indicators and released test items. Use of Houghton Mifflin Harcourt Go Math series in Grades K-5 along with Think Central web based instructional tools. Pearson's Digits Math Program will be renewed for grades 6-8. Honors math courses will be added to 7th and 8th grade math course offerings. Additional textbooks will be purchased for the Probability and Statistics courses as students are showing more interest in adding additional math courses to their schedule. Honors Algebra II Trig will continue a course offering. Use of Pearson Digits remediation lessons for progress monitoring in Grades 6-8 Targeted Assistance Classrooms for students who are below grade level. Pearson's My Foundations Lab with Accuplacer Program has been implemented in the Targeted Assistance Labs for grades 9-11 to remediate skill deficiencies. An AP web-based support program will be provided through Learn Beyond to simulate virtual real world learning task that are aligned to the new requirements of College Board.

2. Science

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Began to unpack Next Generation Science Standards (NGSS) in Grades K-8 and the high school create new curriculum units of study. Implementation of Interdisciplinary Units of study in Grades K-5 to provide an inquiry and literacy approach to science while increasing articulation between Language Arts and Social Studies. Implementation of procedures for textbook adoption in Grades K-8. Revised unit assessments in Grades 9-11 to provide more rigorous assessments to align with the curricular goals. The addition of an Environmental Science course to provide more diversity in high school science offerings. Implementation of the CASE Curriculum for Agricultural Science Program and the implementation of the Animal Science course.

3. Language Arts Literacy

Use of Measures of Academic Progress (MAP) to benchmark students' progress in classrooms to personalize instruction. Teaching Strategies Gold has been implemented in Pre-Kindergarten and Kindergarten classroom to provide assessment of authentic learning tasks as part of the NJGROW and NJKEA Early Childhood Initiative from the NJDOE. The Zaner Blouser writing program has been implemented in grades 1-3. Integration of 21st Century learning with "Cloud Based Applications" has been enhanced for student collaboration and formative assessments. Curriculum, units of study and unit assessments have been created for grades K-12. Staff will continue to receive professional development in creating Research Simulation Task, Literary Analysis, and Prose Constructed Responses from Standards Solutions. The Lexia Learning program has been expanded to grades 1-5 to eliminate gaps in Literacy skills. Running Records is used to assessment reading progress in grades K-5. The Targeted Assistance Program provides course time in addition to the general education course in grades 6-12 to target skill deficiencies. Pearson's My Foundations Lab with Accuplacer Program has been implemented in the Targeted Assistance Labs for grades 9-11 to remediate skill deficiencies. AP Literature and Language course will be added to provide more opportunities for college and career readiness.

4. Social Studies

Curriculum Revisions are taking place to align with the NJCCCS for Social Studies including the skills table to reflect the expectations of the Common Core State Standards for English Language Arts & Literacy in History/Social Studies, Science and Technical Subjects. Curriculum committees have made recommendations of textbooks and they will be purchased for the upcoming school year. AP Programs will continue to be revised to align with the new requirement of College Board.

5. 21st Century Life and Careers

Geography and Cultural Awareness courses have been added to the middle school course offerings. The Middle School STEM program will be expanded to include a STEM 1 and STEM 2 track for honors students. Computer Science Course offerings are being created and will be added to the high school course offerings with a Dual Credit Agreement with Salem Community College. The Agricultural Science Program has realigned course offerings to include a Biotechnology course. The Agricultural Science Program is aligned to the NJCCCS for Biology and offers students an additional pathway to fulfill credits in Biology.

6. Visual and Performing Arts

Graph Arts has been added to the middle school course offerings. Audio Technology II has been added to the course offerings in the high school along with resources for the creation of digital projects with Apple Computers. The Concert band, Jazz Band, and Choir has continued to expand. The Theatre Arts program has been revised to include three courses and a new staff member. District-wide curriculum and benchmark assessments have been created with the use of the NJDOE 21 Century Application Documents to prepare students for 21st Century College and Career Readiness.

7. Comprehensive Health and Physical Education

The Food and Nutrition Grant from Rutgers University has been implemented in the elementary schools to afford the opportunity to sample fruits and vegetables under the supervision of the classroom teacher. Health and Physical Education Teachers along with Nurses and Coaches have been trained in the use of External Defibrillators under the requirements of "Janet's Law." Curriculum, units of study, and benchmark assessments have been created and implemented in alignment with the NJCCCS and use of Model Curriculum Student Learning Objectives. Technology enhancements will be provided to implement 21st Century skills into daily classroom activities to promote Health and Wellness.

8. World Languages

Countrywide and district-wide articulation and coordination goals continue to be implemented to enhance curricular goals. District Curricula has been created along Units of Study and common assessments. French I and II have been added to the course offerings. Holt McDougal Textbooks were purchased for Spanish 1. New resources are currently being researched for Elementary grades and Spanish 2, 3, and 4 and will be used for the upcoming school year. French Textbooks will be purchased for the upcoming school year.

9. Technological Literacy

On-line Hybrid courses and blended learning environments have been developed in the Language Arts and Math classrooms through Learn Beyond. District wide initiatives have been put in place for seamless integration of technology applications in each content area that align with the requirements of the NJCCCS 8.1 and 8.2. The District has purchased Chromebook Carts, created a Google Domain, and will continue to add more devices as a tool to enhance Technological Literacy. The use of "Cloud-Based Applications" has been upgraded to allow for collaborative learning activities and formative assessment tasks. On-line benchmark assessments are used that model statewide and nationwide standardized assessments.

4. INTERNAL ACCOUNTING CONTROLS:

Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control process is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control process is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are being made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

5. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund.

Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section. An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either cancelled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2015.

6. ACCOUNTING SYSTEM AND REPORTS:

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Financial Statements," Note 2.

7. CASH MANAGEMENT:

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements," Note 3. The District has adopted a cash management plan, which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8. RISK MANAGEMENT:

The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

9. GENERAL FUND BALANCE:

General Fund Balance (budgetary basis) of \$3,083,691 as of June 30, 2015, represents a 8.5% decrease from June 30, 2014. Of the \$3,083,691, \$734,125 represents the unassigned portion of the District's fund balance and \$404,867 has been appropriated for the 2015/2016 school budget in order to maintain a stable tax levy. The remaining \$1,138,992, which includes excess surplus and other restricted fund balance, represents 37% of the 2014/2015. General Fund Budget expenditures totaling \$36,562,526.

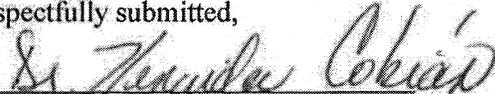
10. OTHER INFORMATION:

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nightlinger, Colavita and Volpa, P. A., was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB and/or 15-08 OMB. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11. ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Penns Grove-Carneys Point Regional School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

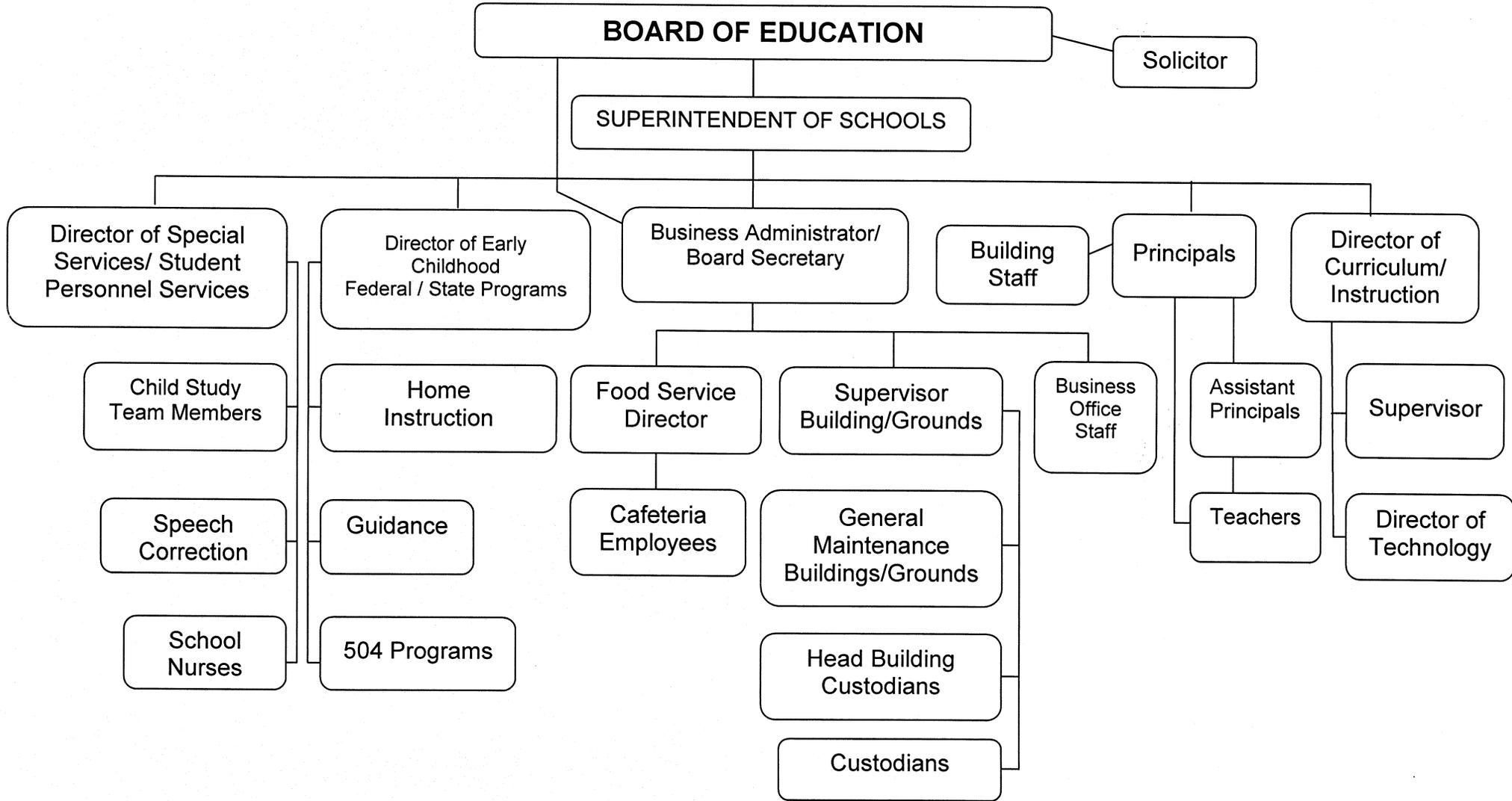


Dr. Zaida Cobian
Superintendent of Schools



Brian Ferguson
School Business Administrator/
Board Secretary

Penns Grove – Carneys Point Regional School District



PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

ROSTER OF OFFICIALS

JUNE 30, 2015

<u>Board Members Name</u>	<u>Position</u>	<u>Term Expires</u>
Jeanette Harbeson	President	2015
Ronald Vogeding	Vice President	2016
Melissa Bundy	Board Member	2017
Adrienne Dixon	Board Member	2016
Walter Hudson (To: June 19, 2015)	Board Member	2016
William Luzzo Sr.	Board Member	2017
Anthony Oliver (To: June 11, 2015)	Board Member	2017
Ginger Sackes	Board Member	2015
Vicki Smith	Board Member	2016
Michael B. Venello	Board Member	2015
<u>Other Officials</u>		<u>Amount of Bond</u>
Dr. Zenaida Cobian	Superintendent	
Brian E. Ferguson	Business Administrator/ Board Secretary	\$ 275,000
Mark G. Toscano, Esq.	Solicitor	

PENNS GROVE CARNEYS-POINT REGIONAL BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

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Fulton Bank of New Jersey
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Carneys Point, NJ 08069

FINANCIAL ADVISORS

Phoenix Advisors, LLC
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FINANCIAL SECTION

NIGHTLINGER, COLAVITA & VOLPA

A Professional Association

Certified Public Accountants

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November 16, 2015

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem
Penns Grove, NJ 08069

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements which collectively comprise the Penns Grove-Carneys Point Regional School District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Penns Grove-Carneys Point Regional School District Board of Education in the County of Salem, State of New Jersey, as of June 30, 2015, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

The Management Discussion and Analysis and Budgetary Comparison Information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Penns Grove-Carneys Point Regional School District Board of Education's, basic financial statements as a whole. The introductory section, combining fund and individual non-major fund financial statements, long-term debt schedules and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy For Recipients of Federal Grants, State Grants and State Aid*, and are not a required part of the basic financial statements.

The accompanying combining statements and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedure applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying combining and related major fund supporting statements and schedules and schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued a report dated November 16, 2015 on our consideration of the Penns Grove-Carneys Point Regional School District Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Governments Auditing Standard and should be considered in assessing the results of our audit.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, P.A.



Raymond Colavita, C.P.A., R.M.A.
Licensed Public School Accountant
No. 915

REQUIRED SUPPLEMENTARY INFORMATION – PART I

**PENNS GROVE-CARNEYS REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

As management of the Penns Grove-Carneys Point Regional School District, we offer readers of the Penns Grove-Carneys Point Regional School District's financial statements this narrative overview and analysis of the financial activities of the Penns Grove-Carneys Point Regional School District for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to review the Penns Grove-Carneys Point Regional School District's financial performance as a whole. Readers should also review the information furnished in our letter of transmittal, notes to the basic financial statements, and financial statements to enhance their understanding of the Penns Grove-Carneys Point Regional School District's financial performance.

Financial Highlights

- The assets of the Penns Grove-Carneys Point Regional School District exceeded its liabilities at the close of the most recent fiscal year by \$4,400,091 (net position).
- The School District's total net position increased by \$1,178,813. This increase is primarily attributable to a large decrease in liabilities, primarily accounts payable.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$1,085,083, a decrease of \$323,787 in comparison with the prior year, mostly attributable to the use of surplus to control taxes. There was also a net increase in the Capital Project Fund of \$5,639,518 and \$32,767 in the Debt Service Fund.
- At the end of the current fiscal year, unrestricted fund balance for the general fund was a deficit of \$1,264,483, which is a decrease in the deficit of \$20,145 from that of the prior fiscal year. The decrease is due to several factors.
- The District's total bonded debt increased by \$6,000,000 as a result of a new bond issue, refunded debt of \$100,000 and the budgeted debt principal payment of \$900,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Penns Grove-Carneys Point Regional School District's basic financial statements. The School District's basic financial statements comprise three components:

- (1) District-wide financial statements
- (2) Fund financial statements
- (3) Notes to the basic financial statements themselves

District-wide financial statements – These financial statements are designed to provide readers with a broad overview of School District's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Penns Grove-Carneys Point Regional School District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Penns Grove-Carneys Point Regional School District is improving or deteriorating.

The statement of activities presents information illustrating Penns Grove-Carneys Point Regional School District's net position change during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

Both of the district-wide financial statements distinguish functions of the Penns Grove-Carneys Point Regional School District that are principally supported by taxes and intergovernmental revenues (governmental activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Penns Grove-Carneys Point Regional School District include the education of students in grades K-12 at the Penns Grove-Carneys Point Regional School District's five schools. The business-type activities of the Penns Grove-Carneys Point Regional School District include a Food Service Program and an Academy Program.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Penns Grove-Carneys Point Regional School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Penns Grove-Carneys Point Regional School district can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Most of the Penns Grove-Carneys Point Regional School District's activities are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end available for spending in the future periods. These funds are reported using an accounting method called modified accrual basis of accounting, which measures cash and all other financial assets that can be readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Penns Grove-Carneys Point Regional School District's general government operations and the basic services I provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs.

The Penns Grove-Carneys Point Regional School District maintains four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, special revenue fund, capital projects fund, and debt service fund. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

Also, the Penns Grove-Carneys Point Regional School District adopts an annual budget for its general fund and special revenue fund. Budgetary comparison schedules have been provided for both to demonstrate compliance with the budgets.

Proprietary Funds – The Penns Grove-Carneys Point Regional School District maintains two different types of proprietary funds. Enterprise funds, which are a proprietary fund type used to report an activity for which a fee is charged to external users for goods or services, are used to report the same functions presented as business-type activities in the district-wide financial statements. The Penns Grove-Carneys Point Regional School District uses enterprise funds to account for its food service program and its academy program. Proprietary funds provide the same type of information as district-wide financial statements, only in more detail.

Proprietary Funds- Cont'd

The proprietary fund financial statements provide separate information for the food service program and the academy program.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the district-wide financial statements because the resources of those funds are not available to support the Penns Grove-Carneys Point Regional School District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the District-wide financial statements.

District-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Penns Grove-Carneys Point Regional School District, assets exceeded liabilities by \$3,844,878 at the close of the most recent fiscal year.

The largest portion of the Penns Grove-Carneys Point Regional School District's net position reflects its investment in capital assets (i.e., land, buildings, and equipment) less any related debt used to acquire those assets to provide educational services to students; consequently, these assets are not available for future spending. Although the Penns Grove-Carneys Point Regional School District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from sources, since the capital assets themselves cannot be used to liquidate these liabilities.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets \$	7,193,177	\$ 1,803,306	\$ 510,822	\$ 374,262	\$ 7,703,999	\$ 2,177,568
Capital Assets	19,190,641	18,155,771	104,005	104,128	19,294,646	18,259,899
Total Assets	26,383,818	19,959,077	614,827	478,390	26,998,645	20,437,467
Deferred Outflows of Resources	947,111	136,281	0	0	947,111	136,281
Long-Term Liabilities						
Outstanding	12,978,419	5,800,055	46,359	12,810	13,024,778	5,812,865
Other Liabilities	9,799,086	476,303	13,255	5,090	9,812,341	481,393
Total Liabilities	22,777,505	6,276,358	59,614	17,900	22,837,119	6,294,258
Deferred Inflows of Resources	708,546	0	0	0	708,546	0
Invested in Capital Assets, Net of Related Debt	9,195,641	13,497,052	104,005	104,128	9,299,646	13,601,180
Restricted	7,646,341	2,205,622	0	0	7,646,341	2,205,622
Unrestricted	(12,997,104)	(1,883,674)	451,208	356,362	(12,545,896)	(1,527,312)
Total Net Position	\$ 3,844,878	\$ 13,819,000	\$ 555,213	\$ 460,490	\$ 4,400,091	\$ 14,279,490

An additional portion of the Penns Grove-Carneys Point Regional School District's net position represents resources that are subject to external restrictions on how they may be used.

There was an increase of \$94,723 in overall net position for the Penns Grove-Carneys Point Regional School District's business-type activities. This increase was mainly due to a decrease in Food Service Fund expenses.

There was an increase of \$1,084,090 in overall net position for the Penns Grove-Carneys Point Regional School District's governmental activities. The increase is due to many contributing factors.

Governmental Activities – With regard to the increase in the Penns Grove-Carneys Point Regional School District's net position from Governmental activities, the key elements of the changes are as follows:

Property taxes increased by \$449,397 during the year. This 4.3% increase represents was necessitated by the loss of various federal and state aid.

General Grant Revenues increased by \$5,358,916 during the year. The increase is the result of increases in state and federal aid of equal proportions.

The overall \$2,991,396 increase in expenses was attributable to various increases in expenses, the largest of which was in unallocated benefits and student & instruction related services.

Business-type Activities – Business-type activities increased the Penns Grove-Carneys Point Regional School District's net position by \$94,723, as a result of additional revenues.

Financial Analysis of the Government's Funds

As stated earlier, the Penns Grove-Carneys Point Regional School District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund – The focus of the Penns Grove-Carneys Point Regional School District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Penns Grove-Carneys Point Regional School District's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the current fiscal year, the Penns Grove-Carneys Point Regional School District's Fund Balance (budgetary basis) as of June 30, 2015 was \$3,083,691, a decrease of \$285,721 from June 2014.

Of the \$3,083,691, \$404,867 has been assigned and appropriated in the 2015-16 school budget in order to maintain a stable tax levy; \$690,625 is restricted as Excess surplus, of which \$388,311 has been appropriated for the 2015-16 school budget; \$427,900 has been assigned for encumbrances, \$758,198 is restricted for capital reserve, of which \$100,000 has been assigned and appropriated in the 2015-16 school budget; \$67,976 is restricted as maintenance reserve and \$734,125 is unrestricted and unassigned.

The special revenue fund has a deficit at the end of the current fiscal year in the amount of \$86,697. The deficit was a result of the following: N.J.S.A. 18A:22-44.2 providing that in the event one or more June state school aid payments is not made until the following school budget year, districts must record the one or more June state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for Penns Grove-Carneys Point Regional School Districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the one or more June state aid payments in the subsequent fiscal year, the Penns Grove-Carneys Point Regional School District cannot recognize the one or more state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the one or more June state aid payments, the fund balance deficit does not alone indicate that the district is facing financial difficulties.

The capital projects fund had an unexpended balance of \$18,789,758 at the end of the current year ending June 30, 2015, of which \$13,088,116 represents the unearned portion of NJSDA grant approvals. There were 11 NJSDA grants approved during the 2014-15 school year to support various building renovations throughout the District. .

Proprietary Funds – The Penns Grove-Carneys Point Regional School District's proprietary funds provide the same type of information found in the district-wide financial statements, but in more detail.

Unrestricted net position consisted of the following: a positive balance of \$451,208 in the food service program, and a \$0 balance for the academy program. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Penns Grove-Carneys Point Regional School District's business-type activities. There was also a balance representing Investment in Capital Assets of \$92,960 in the Food Service Fund and \$11,045 in the Academy Program.

General Fund Budgetary Highlights

During the course of the 2015 fiscal year, the Penns Grove-Carneys Point Regional School District modified its general fund budget numerous times. The net change in the total budget modification primarily resulted from the rollover of the prior year's encumbrances in the amount of \$533,781.

The final budgetary basis revenue estimate was \$33,543,206, which was the same as the original budgeted estimate.

During fiscal year 2015, the Penns Grove-Carneys Point Regional School District budgeted \$11,368,388 for property taxes (local tax levy) and \$21,538,565 for state aid revenues. The Penns Grove-Carneys Point Regional School District also received \$1,165,785 and \$2,164,195 in reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pension Contributions, respectively.

The final budgetary basis expenditure appropriation estimate was \$34,826,242 compared to the original estimate of \$34,093,206. The Penns Grove-Carneys Point Regional School Districts expenditures also include the reimbursed T.P.A.F. Social Security Aid and T.P.A.F. Pensions Contributions of \$1,165,785 and \$2,164,195, respectively.

Capital Assets and Debt Administration

Capital Assets – The Penns Grove-Carneys Point Regional School District’s investment in capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$19,294,646 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings and improvements, and equipment.

At the end of fiscal year 2015, the Penns Grove-Carneys Point Regional had \$34,742,423 invested in land, construction in progress, land improvements, buildings and improvements, and equipment, less accumulated depreciation totaling (\$16,764,799) for net capital assets of \$17,977,624.

Major capital asset events during the fiscal year include several parking lot improvements funded through both the General Fund and Capital Projects Funds and completed construction in progress related to the high school windows and bleachers and project paid through the Capital Projects Fund. The District also initiated a project in the Capital Projects Fund to upgrade the high school science lab and auditorium. Additional information on the Penns Grove-Carneys Point Regional School District’s capital assets can be found in Note 6 to the Financial Statements.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT'S NET POSITION
(NET OF ACCUMULATED DEPRECIATION)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 1,280,600	\$ 1,280,600	\$	\$	\$ 1,280,600	\$ 1,280,600
Land Improvements	15,670	18,511			15,670	18,511
Building Improvements	16,452,748	16,699,289			16,452,748	16,699,289
Equipment	124,600	157,371	104,006	104,128	228,606	261,499
Total	\$ 17,873,618	\$ 18,155,771	\$ 104,006	\$ 104,128	\$ 17,977,624	\$ 18,259,899

Long-term Debt – At the end of the current fiscal year, the Penns Grove-Carneys Point Regional School District had total bonded debt outstanding of \$9,995,000. The entire Penns Grove-Carneys Point Regional School District’s bonded debt is governmental as opposed to business-type. The 2015 adopted budget has an appropriation of \$1,055,565 representing the payment of the annual principal and interest. The bonds were to mature on March 1, 2020. See Note 7 to the Financial Statements for more detail. On September 15, 2014, the Board of Education approved a Refunding Bond Ordinance providing for the refunding of all or a portion of the outstanding callable refunding school bonds of the school district dated March 22, 2005 authorizing the issuance of \$3,810,000 in refunding bonds.

Economic Factors and Next Year’s Budget

For the 2014-15 school year, the Penns Grove-Carneys Point Regional School District was able to sustain its budget through the municipal tax levy, federal aid, state aid and miscellaneous revenue sources. Approximately 33% of total revenue is from local tax levy, 66% of the School District’s revenue is from federal, state, and local aid (restricted and not restricted). One of the most important factors affecting the Penns Grove-Carneys Point Regional School District’s budget is its enrollment. The 2015-16 budget was adopted March 2015 based in part on the state education aid the School District anticipated receiving. This aid was based on the States projected enrollment for the District on October 15, 2014. The Penns Grove-Carneys Point Regional School District anticipates a slight decrease in enrollment for the 2015-16 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Penns Grove-Carneys Point Regional School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Brian E. Ferguson, School Business Administrator/Board Secretary at the School Administration Building, 100 Iona Avenue, Penns Grove, New Jersey 08069, or email bferguson@pennsgrove.k12.nj.us.

BASIC FINANCIAL STATEMENTS

DISTRICT WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,835,579	\$ 398,219	\$ 6,233,798
Receivables, Net	1,340,367	83,291	1,423,658
Interfund Accounts Receivable	17,231		17,231
Inventory		29,312	29,312
Restricted Assets:			
Capital Assets, Net (Note 6)	19,190,641	104,005	19,294,646
	26,383,818	614,827	26,998,645
Total Assets			
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflow	847,767		847,767
Deferred Loss on Refunding of Bonds	99,344		99,344
	947,111		947,111
LIABILITIES			
Accounts Payable	457,322	31,174	488,496
Interfund Accounts Payable	1,077		1,077
Accrued Interest	78,835		78,835
Unearned Revenue	1,983	15,185	17,168
Net Pension Liability	11,232,180		11,232,180
Noncurrent Liabilities (Note 7):			
Due Within One Year	1,207,022		1,207,022
Due Beyond One Year	9,799,086	13,255	9,812,341
	22,777,505	59,614	22,837,119
Total Liabilities			
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflow	708,546		708,546
NET POSITION			
Invested in Capital Assets, Net of Related Debt	9,195,641	104,005	9,299,646
Restricted for:			
Debt Service	5,701,642		5,701,642
Capital Reserve	100,000		100,000
Capital Projects	658,198		658,198
Excess Surplus	690,625		690,625
Other Purposes	495,876		495,876
Unrestricted (Deficit)	(12,997,104)	451,208	(12,545,896)
	3,844,878	555,213	4,400,091
Total Net Position	\$ 3,844,878	\$ 555,213	\$ 4,400,091

The accompanying Notes to Financial Statements are an integral part of this statement.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Position</u>	
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Governmental Activities:					
Instruction:					
Regular	\$ 11,790,222	\$ 833,369	\$ 2,183,061	\$ (8,773,792)	\$ (8,773,792)
Special Education	3,514,081			(3,514,081)	(3,514,081)
Other Special Instruction	1,127,423			(1,127,423)	(1,127,423)
Other Instruction	395,931			(395,931)	(395,931)
Support Services:					
Tuition	2,148,659			(2,148,659)	(2,148,659)
Student & Instruction Related Services	2,993,688		390,396	(2,603,292)	(2,603,292)
General Administrative Services	949,095			(949,095)	(949,095)
School Administrative Services	1,528,796			(1,528,796)	(1,528,796)
Other Administrative Services	585,251			(585,251)	(585,251)
Plant Operations and Maintenance	3,411,630			(3,411,630)	(3,411,630)
Pupil Transportation	1,821,753			(1,821,753)	(1,821,753)
Unallocated Benefits	13,632,801		3,026,661	(10,606,140)	(10,606,140)
Interest on Long-Term Debt	334,042		505,736	171,694	171,694
Total Governmental Activities	44,233,372	833,369	6,105,854	(37,294,149)	(37,294,149)
Business-Type Activities:					
Food Service	1,218,000	250,251	1,062,384		94,635
Academy Program	135,854	135,854			
Internal Service Fund	8,250	8,250			
Total Business-Type Activities	1,362,104	394,355	1,062,384		94,635
Total Primary Government	\$ 45,595,476	\$ 1,227,724	\$ 7,168,238	(37,294,149)	94,635
General Revenues:					
Taxes:					
Property Taxes, Levied for General Purposes, Net				10,818,459	10,818,459
Taxes Levied for Debt Service				549,929	549,929
Federal and State Aid Not Restricted				26,905,535	26,905,535
Investment Earnings				7,980	88
Miscellaneous Income				96,336	96,336
Total General Revenues, Special Items, Extraordinary Items and Transfers				38,378,239	88
Change in Net Position				1,084,090	94,723
Net Position — Beginning of Year (Restated)				2,760,788	460,490
Net Position — End of Year				\$ 3,844,878	\$ 555,213
					\$ 4,400,091

The accompanying Notes to Financial Statements are an integral part of this statement

FUND FINANCIAL STATEMENTS

The Individual Fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund.

GOVERNMENTAL FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 527,602	\$	\$ 4,899,549	\$ 32,767	\$ 5,459,918
Restricted Cash - Capital Reserve	753,431				753,431
Interfund Accounts Receivable	123,594		536,621		660,215
Local School District Tax	250,212				250,212
State Aid Receivable	323,845		421,472		745,317
Federal Aid Receivable	74,645	193,981			268,626
Receivables From Other Governments	76,212				76,212
Total Assets	\$ 2,129,541	\$ 193,981	\$ 5,857,642	\$ 32,767	\$ 8,213,931
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 127,229	\$ 174,093	\$ 156,000	\$	\$ 457,322
Interfund Accounts Payable	915,468	106,363			1,021,831
Unearned Revenue	1,761	222			1,983
Total Liabilities	1,044,458	280,678	156,000		1,481,136
Fund Balances:					
Restricted:					
Capital Reserve	658,198				658,198
Maintenance Reserve	67,976				67,976
Excess Surplus	302,314				302,314
Capital Projects Fund			5,701,642		5,701,642
Assigned:					
Capital Reserve:					
Designated for Subsequent Year's Expenditures	100,000				100,000
Excess Surplus:					
Designated for Subsequent Year's Expenditures	388,311				388,311
Year-End Encumbrances	427,900				427,900
Designated for Subsequent Year's Expenditures	404,867				404,867
Unassigned (Deficit)	(1,264,483)	(86,697)		32,767	(1,318,413)
Total Fund Balances (Deficit)	1,085,083	(86,697)	5,701,642	32,767	6,732,795
Total Liabilities and Fund Balances	\$ 2,129,541	\$ 193,981	\$ 5,857,642	\$ 32,767	

Amounts reported for *governmental activities* in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds. The cost of the assets is \$35,335,358 and the accumulated depreciation is \$16,144,717. (See Note 6).	19,190,641
Deferred Outflow of Resources - Deferred Pension Contribution.	847,767
Net Long Term Pension Liability	(11,232,180)
Deferred Inflows of Resources - Pension Actuarial Gains.	(708,546)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. (see Note 7).	(11,006,108)
Deferred Outflow of Resources - Deferred Amount on Refunding of Debt.	99,344
Interest on long term debt is accrued on the Statement of Net Position regardless when due.	(78,835)
Net Position of governmental activities	\$ 3,844,878

The accompanying Notes to Financial Statements are an integral part of this statement.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local Tax Levy	\$ 10,818,459			\$ 549,929	\$ 11,368,388
Tuition Charges	833,369				833,369
Transportation Charges	13,818				13,818
Interest Earned	6,164		1,816		7,980
Miscellaneous	80,505	2,013			82,518
State Sources	24,887,953	874,784	421,472	505,736	26,689,945
Federal Sources	196,655	2,229,745			2,426,400
Total Revenues	36,836,923	3,106,542	423,288	1,055,665	41,422,418
EXPENDITURES					
Current:					
Regular Instruction	9,304,303	2,183,061			11,487,364
Special Education Instruction	3,514,081				3,514,081
Other Special Instruction	1,127,423				1,127,423
Other Instruction	395,931				395,931
Support Services and Undistributed Costs:					
Tuition	2,148,659				2,148,659
Student and Instruction Related Services	2,603,292	390,396			2,993,688
General Administrative Services	892,094				892,094
School Administrative Services	1,528,796				1,528,796
Other Administrative Services	570,147				570,147
Plant Operations and Maintenance	3,156,324				3,156,324
Pupil Transportation	1,821,753				1,821,753
Unallocated Benefits	9,163,872	533,085			9,696,957
Capital Outlay	335,851		1,381,954		1,717,805
Debt Service:					
Principal				900,000	900,000
Interest and Other Charges				122,898	122,898
Total Expenditures	36,562,526	3,106,542	1,381,954	1,022,898	42,073,920
Excess (Deficiency) of Revenues over Expenditures	274,397	-	(958,666)	32,767	(651,502)
OTHER FINANCING SOURCES (USES)					
Proceeds from Bonds Issued			6,000,000		6,000,000
Transfer from Capital Reserve	(600,000)		600,000		
Interest Earned Transferred from Capital Reserve	1,816		(1,816)		
Total Other Financing Sources and Uses	(598,184)		6,598,184		6,000,000
Net Changes in Fund Balances	(323,787)		5,639,518	32,767	5,348,498
Fund Balance — Beginning of Year	1,408,870	(86,697)	62,124		1,384,297
Fund Balance — End of Year	\$ 1,085,083	\$ (86,697)	\$ 5,701,642	\$ 32,767	\$ 6,732,795

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds \$ 5,348,498

Amounts Reported for Governmental Activities in the Statement of Activities (A-2) are different because:

Capital Outlays are reported in Governmental Funds as Expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as Depreciation Expense. This is the amount by which Capital Outlays exceeded depreciation in the period.

Depreciation Expense	\$ (630,269)	
Capital Outlays	1,665,139	
		1,034,870

Pension contributions are reported in governmental funds as expenditures. However, in the statement of activities, the contributions are adjusted for actuarial valuation adjustments, including service and interest costs, administrative costs, investment returns, and experience/assumption. This is the amount by which net pension liability and deferred inflows/outflows related to pension changed during the period. (34,747)

Repayment of Bond Principal is an Expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the statement of Net Position and is not reported in the Statement of Activities.

Bond Principal Redeemed		900,000
Bonds Issued		(6,000,000)

In the Statement of Activities, interest on long-term debt is accrued, regardless of when it is due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (21,541)

In the Statement of Activities, Amortization of the Deferred Amount on Debt Refunding is expensed, regardless of when the Debt was Refunded. (136,937)

In the Statement of Activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the Governmental Funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation. (6,053)

Change in Net Position of Governmental Activities \$ 1,084,090

PROPRIETARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	Business-type Activities - Enterprise Funds			Totals
	Food Service	Academy Program	Internal Service Fund	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 20,449	\$	\$	\$ 20,449
Accounts Receivable:				
State	1,517			1,517
Federal	80,949			80,949
Other	825			825
Interfund Accounts Receivable	377,770			377,770
Inventories	29,312			29,312
Total Current Assets	510,822			510,822
Noncurrent Assets:				
Furniture, Machinery & Equipment	695,521	30,118		725,639
Less: Accumulated Depreciation	(602,561)	(19,073)		(621,634)
Total Noncurrent Assets	92,960	11,045		104,005
Total Assets	603,782	11,045		614,827
LIABILITIES				
Current Liabilities:				
Accounts Payable	31,174			31,174
Unearned Revenue	15,185			15,185
Total Current Liabilities	46,359			46,359
Noncurrent Liabilities:				
Compensated Absences	13,255			13,255
Total Liabilities	59,614			59,614
NET POSITION				
Invested in Capital Assets Net of Related Debt	92,960	11,045		104,005
Unrestricted	451,208			451,208
Total Net Position	\$ 544,168	\$ 11,045	\$	\$ 555,213

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities- Enterprise Fund			Totals
	Food Service	Academy Program	Internal Service Fund	
OPERATING REVENUES:				
Charges for Services:				
Daily Sales - Reimbursable Programs	\$ 115,046	\$	\$	\$ 115,046
Daily Sales - Non-Reimbursable Programs	123,776			123,776
Special Functions	10,647			10,647
Miscellaneous	782	5,248		6,030
Academy Tuition		130,606		130,606
Food Service Director Services			8,250	8,250
Total Operating Revenues	250,251	135,854	8,250	394,355
OPERATING EXPENSES:				
Salaries	530,443	112,313	8,250	651,006
Employee Benefits	73,089			73,089
Purchased Property Services	20,013			20,013
General Supplies	37,577			37,577
Depreciation	17,624			17,624
Transportation		7,163		7,163
Tuition		16,378		16,378
Miscellaneous	11,475			11,475
Cost of Sales	527,779			527,779
Total Operating Expenses	1,218,000	135,854	8,250	1,362,104
Operating Income (Loss)	(967,749)	-	-	(967,749)
NON-OPERATING REVENUES (EXPENSES):				
State Sources:				
State School Lunch Program	14,936			14,936
Federal Sources:				
National School Breakfast Program	172,121			172,121
National School Lunch Program	726,496			726,496
National Snack Program	14,457			14,457
Food Distribution Program	92,861			92,861
Fruit and Vegetable Grant	16,465			16,465
NSLP Equipment Assistance Grant	10,250			10,250
Breakfast Program Expansion Grant	9,798			9,798
Local Grant:				
Salem Health and Wellness Foundation	5,000			5,000
Interest and Investment Revenue	88			88
Total Non-Operating Revenues (Expenses)	1,062,472			1,062,472
Net Change in Position	94,723			94,723
Net Position — Beginning of Year	449,445	11,045		460,490
Net Position — Ending of Year	\$ 544,168	\$ 11,045	\$ -	\$ 555,213

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds			
	Food Service	Academy Program	Internal Service Fund	Total Enterprise
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	\$ 250,251	\$ 135,854	\$ 8,250	\$ 386,105
Payments to Employees	(530,443)	(112,313)	(8,250)	(642,756)
Payments for Employee Benefits	(73,089)			(73,089)
Payments to Suppliers	(598,241)	(23,541)		(621,782)
Net Cash Provided by (used for) Operating Activities	(951,522)	-	-	(951,522)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
State Sources	14,936			14,936
Federal Sources	949,587			949,587
Local Sources	5,000			5,000
Net Cash Provided by (used for) Non-Capital Financing Activities	969,523			969,523
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases of Capital Assets				
Net Cash Provided by (used for) Capital and Related Financing Activities				
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest Earned on Investments	88			88
Net Cash Provided by (used for) Investing Activities	88			88
Net Increase (Decrease) in Cash and Cash Equivalents	18,089			18,089
Balances — Beginning of Year	2,360			2,360
Balances — End of Year	\$ 20,449	\$	\$	\$ 20,449
Reconciliation of Operating Income (Loss) to Net Cash Provided (used) by Operating Activities:				
Operating Income (Loss)	\$ (967,749)	\$	\$	\$ (967,749)
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities				
Depreciation	17,624			17,624
Food Distribution Program	92,861			92,861
(Increase)/Decrease in Accounts Receivable	(12,995)			(12,995)
(Increase)/Decrease in Inventory	(12,638)			(12,638)
(Increase)/Decrease in Interfund Receivable	(92,838)			(92,838)
(Increase)/Decrease in Fixed Assets	(17,501)			(17,501)
Increase/(Decrease) in Interfund Payable				
Increase/(Decrease) in Accounts Payable	31,016			31,016
Increase/(Decrease) in Compensated Absences				
Increase/(Decrease) in Compensated Absences Payable	445			
Increase/(Decrease) in Unearned Revenue	10,253			
Total Adjustments	16,227			(25,487)
Net Cash Provided by (used for) Operating Activities	\$ (951,522)	\$	\$	\$ (993,236)

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	<u>Trust Funds</u>		<u>Agency Funds</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>
ASSETS				
Cash and Cash Equivalents	\$ 1,422	\$ 208,847	\$ 68,859	\$ 442,740
Due from General Fund	1,077			
	<u>2,499</u>	<u>208,847</u>	<u>68,859</u>	<u>442,740</u>
Total Assets	<u>\$ 2,499</u>	<u>\$ 208,847</u>	<u>\$ 68,859</u>	<u>\$ 442,740</u>
LIABILITIES				
Accounts Payable	\$	\$ 2,296	\$	\$
Payable to Student Groups			68,859	
Payable to General Fund				17,231
Payroll Deductions and Withholdings				349,673
Employee Section 125 Plan				75,836
		<u>2,296</u>	<u>68,859</u>	<u>442,740</u>
Total Liabilities		<u>\$ 2,296</u>	<u>\$ 68,859</u>	<u>\$ 442,740</u>
NET POSITION:				
Held in Trust for:				
School Uniform Trust	<u>\$ 2,499</u>			
Unemployment Claims and Other Purposes		<u>\$ 206,551</u>		

The accompanying Notes to Financial Statements are an integral part of this Statement

FIDUCIARY FUNDS

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>School Uniform</u> <u>Trust</u>	<u>Unemployment</u> <u>Compensation</u> <u>Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$ 1,077	\$	\$ 1,077
Other	98		98
Total Contributions	<u>1,175</u>		<u>1,175</u>
Investment Earnings:			
Interest		332	332
Net Investment Earnings		<u>332</u>	<u>332</u>
Total Additions	<u>1,175</u>	<u>332</u>	<u>1,507</u>
DEDUCTIONS:			
Uniforms			
Unemployment Claims		19,075	19,075
Total Deductions		<u>19,075</u>	<u>19,075</u>
Change in Net Position	<u>1,175</u>	<u>(18,743)</u>	<u>(17,568)</u>
Net Position — Beginning of Year	<u>1,324</u>	<u>225,294</u>	<u>226,618</u>
Net Position — End of Year	<u>\$ 2,499</u>	<u>\$ 206,551</u>	<u>\$ 209,050</u>

The accompanying Notes to Financial Statements are an integral part of this statement

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Reporting Entity – The Penns Grove-Carneys Point Regional School District (hereafter referred to as the “School District”) is a Type II district located in the County of Salem, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to three-year terms. These terms are staggered so that three members’ terms expire each year. The purpose of the School District is to educate students in grades K-12 at its five schools. The School District has an approximate enrollment at June 30, 2015 of 2,342.

The primary criterion for including activities within the School District’s reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the School Districts. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the School District over which the Board exercises operating control. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the School District is not includable in any other reporting entity on the basis of such criteria.

Component Units – GASB Statement No. 14, *The Financial Reporting Entity*, provides guidance that all entities associated with a primary government are potential component units and should be evaluated for inclusion in the financial reporting entity. A primary government is financially accountable not only for the organizations that make up its legal entity, but also for legally separate organizations that meet the criteria established by GASB Statement No. 14, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units*. The School District has determined that there are no component units as of the year end June 30, 2015.

Basis of Presentation – The financial statements of the School District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its business-type activities and enterprise funds, provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District’s accounting policies are described in this note. The School District’s basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the School District that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the School District at fiscal year end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the School District’s governmental activities and for the business-type activities of the School District.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-wide Financial Statements (Cont'd) – Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. The policy of the School District is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the School District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements – During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a single column. The fiduciary fund is reported by type. The School District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds – Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the School District's major governmental funds.

General Fund – The General Fund is the general operating fund of the School District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment classified in the Capital Outlay sub-fund.

As required by the New Jersey State Department of Education, the School District includes budgeted capital outlay in this fund. Accounting principles generally accepted in the United States of America, as they pertain to the governmental entities state that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the recourses in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes, and appropriated fund balance. Expenditures are those which result in the acquisition of or additions to capital assets for land, existing buildings, improvements of grounds, construction of buildings, additions to, or remodeling of buildings and the purchase of built-in equipment.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Government-wide Financial Statements (Cont'd)

Special Revenue Fund – The special revenue fund is used to account for and report the proceeds of special revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Capital Projects Fund – The capital projects fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets, other than those financed by proprietary funds. The financial resources are derived from New Jersey School Development Authority grants, temporary notes, or serial bonds which are specially authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

Debt Service Fund – The debt service fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Proprietary Funds – Proprietary funds are used to account for the School District's ongoing activities, which are similar to those found in the private sector.

Enterprise Funds – The enterprise funds are used to account for operations:

1. That are financed and operated in a manner similar to private business enterprises, where the intent of the School District is that the costs (expenses, including depreciation) of providing goods or services to the students on a continuing basis be financed or recovered primarily through user charges; or
2. Where the School District has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The School Districts enterprise fund is:

Food Service Fund – This fund accounts for the financial transactions related to the food service operations of the School District.

Academy Program – This fund accounts for the financial transactions related to providing academic and technical needs for high school students

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (Net Position) is segregated into investment in capital assets, net of related debt, and unrestricted Net Position, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Proprietary Funds – (Cont'd)

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	15 Years
Vehicles	4-6 Years

Internal Service Funds – The Internal Service Fund is used by management to charge the necessary expenses to provide consultant services to the Food Services Program for Oldmans Township School District. The assets and liabilities of the combine service funds are included in business-type activities in the Statement of Net Position.

Fiduciary Funds – Fiduciary fund reporting focuses on Net Position and changes in Net Position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Pension trust funds are used to account for resources held in trust for employees and their beneficiaries based on defined benefit pension agreements, defined contribution agreements, other postemployment benefit agreements, and other employee benefit arrangements. Investment trust funds are used to report the external portion of an investment pool as defined in GASB Statement No. 31, Accounting and Financial Reporting for Certain External Investment Pools. Private-purpose trust funds are used to account for the principal and income for all other trust arrangements that benefit individuals, private organizations, or other governments. Agency funds are used to account for assets held by the School District in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds (i.e., payroll and student activities). They are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The School District has four fiduciary funds; an unemployment trust fund, a uniform fund, a student activity fund, and payroll fund.

Measurement Focus - The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the statement of net position. For the fund financial statements, all government funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet.

The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing sources) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation, with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities. Fiduciary funds are reported using the economic resources measurement focus.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Basis of Accounting - Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting.

For fund financial statements, all governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds, like the government-wide financial statements, use the accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue and the presentation of expenses verse expenditures.

Recognition of Revenue - Revenue resulting from exchange transactions, which are defined as transactions in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. For the governmental fund financial statements, which are prepared on the modified accrual basis, however, such revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days after fiscal year end. Revenue resulting from non-exchange transactions, which are defined as transactions in which the School District receives value without directly giving equal value in return, includes Ad Valorem (property) taxes, grants, entitlements, and donations. Ad Valorem (property) taxes are susceptible to accrual. As under New Jersey State Statute, a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The School District records the entire approved tax levy as revenue (accrued) at the state of the fiscal year since the revenue is both measurable and available.

The School District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable". With the exception of the restricted formula aids recorded in the special revenue fund, revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Eligibility requirements include timing requirements, which specify the fiscal year when the resources are required to be used for the fiscal year when use is first permitted, matching requirements, in which the School District must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. Restricted formula aids, which include *Preschool Education Aid*, are recorded in the special revenue fund in accordance with *The Audit Program* promulgated by the New Jersey Department of Education, which requires that these grants be realized in an amount equal to program expenditures.

Under the modified accrual basis the following revenue sources are considered to be both measurable and available at fiscal year end: tuition, grants, fees, and rentals.

Expenses/Expenditures – On the accrual basis of accounting, expenses are recognized at the time they are incurred. The fair value of donated commodities used during the fiscal year is reported in the operating statement as an expense. Unused donated commodities are reported as Unearned Revenue. The measurement focus of governmental fund financial statements is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized in governmental funds.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets/Budgetary Control – Annual appropriated budgets are prepared in the spring of each fiscal year for the general, special revenue and debt service funds and are submitted to the county office. In accordance with P.L. 2011, c. 202, the School District passed a resolution to move the school board election to the first Tuesday after the first Monday in November, starting in November of 2012, to be held simultaneously with the general election. As a result, a vote is not required on the School District's general fund tax levy for the budget year, other than the general fund tax levy required to support a proposal for additional funds, if any. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23A-16.2(f)1. Transfers of appropriations may be made by school board resolution at any time during the fiscal year in accordance with N.J.A.C.6A:23A-13.3.

Formal budgetary integration into the accounting system is employed as a management control device during the fiscal year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The accounting records of the special revenue fund are maintained on the budgetary basis. The budgetary basis differs from GAAP in that the budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The budget, as detailed on Exhibit C-1, Exhibit C-2, and I-3 includes all amendments to the adopted budget, if any.

Exhibit C-3 presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the general fund budgetary comparison schedule and the special revenue fund budgetary comparison schedule to the GAAP basis of accounting as presented in the statement of revenues, expenditures and changes in the fund balances – Governmental Funds. Note that the School District does not report encumbrances outstanding at fiscal year end as expenditures in the general fund since the general fund budget follows modified accrual basis of accounting, with the exception of the revenue recognition policy for the one or more June state aid payments.

Encumbrances – Under encumbrances accounting, purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Encumbrances are a component of fund balance at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services. Open encumbrances in the governmental funds, other than the special revenue fund, which have not been previously restricted, committed, or assigned, should be included within committed or assigned fund balance, as appropriate.

Open encumbrances in the special revenue fund, however, for which the School District has received advances of grant awards, are reflected in the balance sheet as Unearned Revenues at fiscal year end.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets/Budgetary Control (Cont'd) -

Encumbrances (Cont'd) – The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

Cash, Cash Equivalents and Investments – Cash and cash equivalents, for all funds, include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Such is the definition of cash and cash equivalents used in the statement of cash flows for the proprietary funds. U.S. treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. N.J.S.A. 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

N.J.S.A. 17:9-41 et. seq. establishes requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act (“GUDPA”), a multiple financial institutional collateral pool, which was enacted in the 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

Tuition Receivable – Tuition charges were established by the School District based on estimated costs. The charges are subject to adjustment when the final costs are determined.

Tuition Payable – Tuition charges for the fiscal years ended June 30, 2015 and 2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

Inventories – Inventories are value at cost, which approximates market. The costs are determined on a first-in, first-out method. The cost of inventories in the governmental fund financial statements is recorded as expenditures when consumed rather than when purchased.

Inventories recorded on the government-wide financial statements and in the proprietary fund types are recorded as expenditures when consumed rather than when purchased.

Prepaid Expenses – Prepaid expenses recorded on the government-wide financial statements and in the proprietary fund types represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Prepaid Expenses (Cont'd) – In the governmental fund financial statements, however, payments for prepaid items are fully recognized as an expenditure in the fiscal year of payment. No asset for the prepayment is created, and no expenditure allocation to future accounting periods is required (*non-allocation method*). This is consistent with the basic governmental concept that only expendable financial resources are reported by a specific fund.

Deferred Expenditures – Deferred expenditures are disbursements that are made in one period, but are more accurately reflected as an expenditure/expense in the next fiscal period. Unlike prepaid expenses, deferred expenditures are not regularly recurring costs of operations.

Short-Term Interfund Receivables/Payables – Short-Term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the School District and that are due within one year. These amounts are eliminated in the governmental-wide financial statements, except for the net residual amounts due between governmental and business-type activities, which are presented as interfunds receivable and/or interfunds payable on the statement of net position.

Capital Assets – General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position, but are not reported in the governmental fund financial statements. Capital assets utilized by the proprietary funds, however, are reported in the business-type activities column of the government-wide statement of net position and the proprietary fund statement of net position. All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market value as of the date received. The School District maintains a capitalization threshold of \$2,000.00. The School District does not possess any infrastructure.

Capital Assets (Cont'd) - Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets.

Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Governmental Activities Estimated Lives</u>	<u>Business-Type Activities Estimated Lives</u>
Land Improvements	10-20 Years	N/A
Buildings and Improvements	10-50 Years	N/A
Furniture and Equipment	5-20 Years	15 Years
Vehicles	5-10 Years	4-6 Years

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences – Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the School District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that relate to future services, or that are contingent on a specific even that is outside the control of the School District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The entire compensated absence liability is reported on the government-wide financial statements. For governmental fund financial statements, the current portion of unpaid compensated absences is the amount that is normally expected to be paid with expendable available financial resources. In the proprietary funds, the entire amount of compensated absences is recorded as a fund liability.

Unearned Revenue – Unearned Revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Accrued Liabilities and Long-Term Obligations – All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable available financial resources. Bonds are recognized as a liability on the fund financial statements when due.

Interfund Activity – Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Reimbursements from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Net Position – Net Position represents the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consist of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net Position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the School District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. It is the School District's policy to apply restricted resources when an expense is incurred for purposes for which both are restricted and unrestricted Net Position is available.

Fund Balances – The School District reports fund balance in classifications that comprise a hierarchy based primarily on the extent to which the school District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The School District's classifications, and policies for determining such classifications, are as follows:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Fund Balances (Cont'd)

Nonspendable – The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, such as inventories and prepaid amounts.

Restricted – The restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources either by being (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.

Committed – The committed fund balance classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision-making authority, which, for the School District, is the Board of Education. Such formal action consists of an affirmative vote by the Board of Education memorialized by the adoption of a resolution. Once committed, amounts cannot be used for any other purpose unless the Board of Education removes, or changes, the specified use by taking the same type of action (resolution) it employed to previously commit those amounts.

Assigned – The assigned fund balance classification includes amounts that are constrained by the School District’s *intent* to be used for specific purposes, but are neither restricted nor committed. *Intent* is expressed by either the Board of Education or by the business administrator, to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. Such authority of the business administrator is established by way of a formal job description for the position, approved by the Board of Education.

Unassigned – The unassigned fund balance classification is the residual classification for the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the governmental fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditure is incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, it is the policy of the School District to spend restricted fund balances first. Moreover, when an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications can be used, it is the policy of the School District to spend fund balances, if appropriate, in the following order: committed, assigned, and then unassigned.

Operating and Non-Operating Revenues and Expenses – Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the School District, these revenues are sales for the food service program. Non-operating revenues principally consist of federal and state grant funding and interest income earned on various interest-bearing accounts. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

New Accounting Standards

The District adopted the following GASB statements:

- GASB 67, *Financial Reporting for Pension Plans, an Amendment of GASB 25*, will be effective beginning with the year ending June 30, 2014. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision- useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement replaces the requirements of Statement No. 25, *Financial reporting for Deferred Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and No.50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- GASB 68, *Accounting and Financial reporting for Pensions*, will be effective beginning with the year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions hat is provided by other state entities. This Statement replaces the requirements of Statement No.27, *Accounting for Pension Disclosures, and Local Governmental Employers*, as well as the requirements of Statement No.50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The District does not expect this Statement to impact its financial statements.
- In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. GASBS 71 is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities. This Statement is effective for fiscal years beginning after June 15, 2014. The adoption of GASB 71, will impact the financial statements of the School District's.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

New Accounting Standards (Cont'd)

Other accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB 69, *Government Combinations and Disposals of Government Operations*, is effective for periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term government combinations include a variety of transactions referred to as mergers, acquisitions, and transfers of operations. Management is currently evaluating the impact of the adoption of this Statement on the School District's financial statements although no impact is expected.

Bond and Lease Acquisition Costs

As part of any long-term bond or lease agreement, providing for the use of school buildings, payments constituting professional lease acquisition and other related professional fees will be expensed when incurred in accordance with GASB Statement No. 65. The prior year amount of unamortized debt issue cost has been restated, in accordance with GASB Statement No. 65. There were no such leases for the year ended June 30, 2015.

NOTE 2. CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits – Custodial credit risk is the risk that, in the event of a bank failure, the School District's deposits may not be recovered. Although the District does not have a formal policy regarding custodial credit risk, NJSA 17:9-41 t seq. requires that the governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA is a supplemental insurance program set forth by the New Jersey Legislature to protect the deposits of local government agencies. The program is administered by the Commissioner of the NJ Department of Banking and Insurance. Under the Act, the first \$250,000 of governmental deposits in each insured depository is protected by FDIC. Funds owned by the School District in excess of FDIC insured amounts are protected by GUDPA. As of June 30, 2015, the School District's bank balance of \$6,955,834 custodial credit risk as follows:

Insured by Depository Insurance	\$	410,761
Collateralized under GUDPA		6,545,073
Total	\$	<u>6,955,834</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 3. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the School District inclusion of \$100.00 on October 2, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the School District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the Department, a school district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at fiscal year-end (June 1 to June 30) of any unanticipated revenue or unexpended line-item appropriation amounts or both. A school district may also appropriate additional amounts when the express approval of the voters has been obtained by either a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the amount cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance July 1, 2014	\$ 1,153,431
Increased by: Contribution	400,000
Interest Income	4,767
Decreased by Appropriation for Capital Outlay	(200,000)
Decreased by: Transfer to the Capital Projects Fund	<u>(600,000)</u>
 Ending balance June 30, 2015	 \$ <u>758,198</u>

The withdraws from the capital reserve were for use in a DOE approved facilities project, consistent with the School District's LRFP.

NOTE 4. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2015 consisted of accounts (fees) and intergovernmental grants. All receivables are considered collectible in full due to the stable condition of state programs and the current fiscal year guarantee of federal funds.

Accounts receivable as of fiscal year-end for the School District's individual major and fiduciary funds, in the aggregate are as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>
Receivables:				
Intergovernmental	\$724,914	\$193,981	\$421,472	\$82,466
Other	<u> </u>	<u> </u>	<u> </u>	<u>825</u>
Intergovernmental	<u>\$724,914</u>	<u>\$193,981</u>	<u>\$421,472</u>	<u>\$83,291</u>

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 5. INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

Food	\$ 25,872
Supplies	<u>3,441</u>
	<u>\$ 29,313</u>

At June 30, 2015, there was an ending inventory of \$29,313 in the Food Service Fund, of which \$15,185 was federal commodities.

NOTE 6. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Balance 7/1/2014	Additions	Retirements	Balance 6/30/2015
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 1,280,600			\$ 1,280,600
Construction in Progress		1,259,106		1,259,106
Total Capital Assets Not Being Depreciated	1,280,600	1,259,106		2,539,706
Land improvements	1,388,813	122,581		1,511,394
Building and building improvements	28,413,817	275,699		28,689,516
Furniture and equipment	2,586,989	7,753		2,594,742
Totals Capital Assets Being Depreciated	32,389,619	406,033		32,795,652
Less accumulated depreciation:				
Land improvements	(1,370,302)	(4,970)		(1,375,272)
Building and improvements	(11,714,528)	(584,775)		(12,299,303)
Equipment	(2,429,618)	(40,524)		(2,470,142)
Total Accumulated Depreciation	(15,514,448)	(630,269)		(16,144,717)
Government Activities Capital Assets, Net	\$ 18,155,771	\$ 1,034,870	\$	\$ 19,190,641
	To A-1			To A-1
Business-type Activities:				
Equipment	\$ 708,138	\$ 17,501	\$	\$ 725,639
Less: Accumulated Depreciation	(604,010)	(17,624)		(621,634)
Business-type Activities Capital Assets, Net	\$ 104,128	\$ (123)	\$	\$ 104,005

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 302,858
Administrative Support	57,001
Business Services	15,104
Operations/Maintenance	255,306
Total Depreciation Expense	\$ 630,269

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. LONG TERM OBLIGATIONS

During the fiscal year ended June 30, 2015 the following changes occurred in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2015</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 4,895,000	\$ 6,000,000	\$ (900,000)	\$ 9,995,000	\$ 1,135,000
Compensated Absences	1,005,055	6,053		1,011,108	72,022
Governmental Activity Long Term Liability	<u>5,900,055</u>	<u>6,006,053</u>	<u>(900,000)</u>	<u>11,006,108</u>	<u>1,207,022</u>
Business-Type Activities					
Compensated Absences Payable	\$ 12,810	\$ 445	\$	\$ 13,255	\$

Bonds Payable – Bonds and loans are authorized in accordance with State law by the voters of the municipality through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the school District are general obligation bonds.

On April 7, 2003, the School District issued \$4,465,000.00 general obligation bonds at interest rates varying from 2.00% to 3.40% for various construction and renovation projects. The final maturity of these bonds is December 15, 2015. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

On February 22, 2005 the School District issued \$7,785,000.00 refunding school bonds at interest rates varying from 3.00% to 4.00% to extinguish previous bonds issued and outstanding dated March 1, 2000 in the amount of \$7,020,000.00. The final maturity of the refunding bonds is March 1, 2020. Annual payments regarding bonds payable will be funded by the combination of both property taxes and state aid.

On November 4, 2014 the School District issued \$6,000,000.00 refunding school bonds at interest rates varying from 3.00% to 3.25%. The final maturity of the refunding bonds is March 1, 2035.

As of June 30, 2015, there exists a balance of outstanding principal in the 2003 issue, the refunded 2005 issue and the series 2015 bond issues totaling \$9,995,000. Combined Principal and interest due on the two serial bond issues outstanding as of June 30, 2015 are as follows:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 7. LONG TERM OBLIGATIONS (CONT'D)

Fiscal Year Ending June 30,	Principal	Interest	Total
2016	\$ 955,000	\$ 324,931	\$ 1,279,931
2017	930,000	296,779	1,226,779
2018	935,000	265,279	1,200,279
2019	950,000	232,624	1,182,624
2020	945,000	198,224	1,143,224
2021	360,000	163,424	523,424
2022	360,000	152,624	512,624
2023	360,000	141,824	501,824
2024	360,000	131,024	491,024
2025	360,000	120,224	480,224
2026	360,000	109,424	469,424
2027	360,000	98,624	458,624
2028	360,000	87,824	447,824
2029	360,000	77,024	437,024
2030	360,000	66,224	426,224
2031	360,000	55,424	415,424
2032	330,000	43,724	373,724
2033	330,000	33,000	363,000
2034	330,000	22,274	352,274
2035	330,000	11,550	341,550
	<u>\$ 9,995,000</u>	<u>\$ 2,632,049</u>	<u>\$ 12,627,049</u>

Bonds Authorized But Not Issued – As of June 30, 2015, the Board had no bonds authorized but not issued.

Compensated Absences – Compensated absences will be paid from the fund from which the employees' salaries are paid.

NOTE 8. OPERATING LEASES

At June 30, 2015, the School District had operating lease agreements in effect for copiers and mail machines. The future minimum rental payments under operating lease agreements are as follows:

Fiscal Year Ending June 30,	Principal
2016	\$ 99,297.00
	<u>\$ 99,297.00</u>

Rental payments under operating leases for the fiscal year ended June 30, 2015 were \$154,658.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9. PENSION PLANS

A substantial number of the School District's employees participate in one of the following defined benefit pension plans: the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, which are administered by the New Jersey Division of Pensions Benefits.

In addition, several School District employees participate in the defined Contribution Retirement Program, which is a defined contribution pension plan. This too is administered by the New Jersey Division of Pensions and Benefits. Each plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to:

State of New Jersey
Division of Pension and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295

Significant Legislation - P.L. 2011, c. 78, effective October 2011, set new employee contribution requirements towards the cost of employer provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this legislation's effective date with a minimum contribution required to be at least 1.5 percent of salary.

Teachers' Pension and Annuity Fund – The Teachers' Pension and Annuity Fund (TPAF) is a cost-sharing contributing defined benefit pension plan which was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66. The TPAF provides retirement, death, disability, and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 18A:66.

The contribution requirements of plan members are determined by State statute. In accordance with Chapters 113, 114 and 115, P.L. 1997, plan members enrolled in the TPAF were required to contribute 5% of their annual covered salary. Effective July 1, 2007, however, in accordance with Chapter 92, P.L. 2007 and Chapter, 103 P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2007, the increase was effective with the payroll period that began immediately after July 1, 2007. The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, statute also requires the return to the normal rate when such surplus pension assets no longer exist. Under current statute, all employer contributions are made by the State of New Jersey on-behalf of the School District and all other related non-contributing employers. No normal or accrued liability contribution by the district has been required over several preceding fiscal years.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers Pension and Annuity Fund (TPAF) and additions to/deductions from the TPAF's fiduciary net position have been determined on the same basis as they are reported by the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at a fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$4,731,448 and revenue of \$4,731,448 for support provided by the State. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System – The Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan which was established as of January 1, 1955. The PERS provides retirement, death, disability and medical benefits to qualified members. Vesting and benefit provisions are established by N.J.S.A. 43:15A and 43:3B.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 62 P.L. 1994, plan members enrolled in the Public Employees' Retirement System were required to contribute 5% of their annual covered salary. Effective July 1, 2008, however, in accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members were required to contribute 5.5% of their annual covered salary. For employees who were enrolled in the retirement system prior to July 1, 2008, the increase was effective with the payroll period that began immediately after July 1, 2008. Pursuant to the provisions of Chapter 78 P.L. 2011 the active member contribution rate will be increased to 6.5% plus an additional 1.0% phased-in over seven years beginning in the first year. The phase-in of the additional incremental member contribution amount will take place in July of each subsequent year.

The State Treasurer has the right under the current law to make temporary reductions in member rates based on the existence of surplus pension assets in the retirement system; however, the statute also requires the return to the normal rate when such surplus pension assets no longer exist.

The School District is billed annually for its normal contribution plus any accrued liability. The School District's contributions, equal to the required contribution for each fiscal year, were as follows:

<u>Fiscal Year</u>	<u>Normal Contribution</u>	<u>Non-Contributory Group Life Insurance</u>	<u>Accrued Liability</u>	<u>Total Liability</u>	<u>Paid by District</u>
2014	\$ 82,694	\$ 7,590	\$ 363,573	\$ 453,857	\$ 453,857
2013	129,786	26,194	310,321	466,301	466,301
2012	150,877	28,838	301,754	481,469	481,469

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For the year ended June 30, 2015, the District recognized pension expense of \$529,314.

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 9. PENSION PLANS (CONT'D)

Public Employees' Retirement System (CONT'D)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Changes of assumptions	353,200	
Net difference between projected and actual earnings on pension plan investments		669,377
Changes in proportion and differences between District contributions and proportionate share of contributions District contributions subsequent to the measurement date	494,567	39,169
Total	\$ 847,767	\$ 708,546

\$847,767 reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (i.e. for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) will be recognized as a reduction of the net pension liability in the year ended June 30, 2015. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Additional Information

Collective balances at June 30, 2013 and 2014 are as follows:

	6/30/2014	6/30/2013
Collective deferred outflows of resources	\$ 1,032,618,058	\$
Collective deferred inflows of resources	1,726,631,532	
Collective net pension liability	14,665,837,859	15,190,834,283
District's Proportion	0.0599921946	0.0602348113

Defined Contribution Retirement Programs – The Defined Contribution Retirement Program (DCRP) is a cost-sharing multiple-employer defined contribution pension fund which was established on July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 and Chapter 1, P.L. 2010. The Defined Contribution Retirement Program Board oversees the DCRP, which is administered for the Division of Pension and Benefits for Prudential Financial. The DCRP provides eligible members, and their beneficiaries, with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage vesting and benefit provisions are established by N.J.S.A. 43:15C-1 et. seq.

The contribution requirements of plan members are determined by State statute. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the School District's contribution amounts for each pay period are transmitted to Prudential Financial not later than the fifth business day after the date on which the employee is paid for that pay period.

The School District contributes to the program each fiscal year.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 10. POST RETIREMENT BENEFITS

P.L. 1987, c.884 of P.L. 1990 c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post employment medical benefits through the TPSF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of the post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

NOTE 11. ON-BEHALF PAYMENTS

For the fiscal year ended June 30, 2015, the School District has recognized as revenues and expenditures on-behalf payments made by the State of New Jersey of \$836,404 for TPAF normal costs, \$1,327,791 for TPAF post-retirement costs and \$1,165,785 for reimbursed TPAF Social Security costs.

NOTE 12. RISK MANAGEMENT

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance – The School District maintains commercial insurance coverage for property, liability, and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance – The School District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the School District is required to reimburse the New Jersey Unemployment Trust fund for benefits paid to its former employees and charged to its account with the State. The School District is billed quarterly for amounts due to the State.

The following is a summary of School District contributions, reimbursements to the State for benefits paid and the ending balance of the School District's expendable trust fund for the current and previous two fiscal years:

<u>Fiscal Year Ended June 30</u>	<u>Interest</u>	<u>School District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 332	\$	\$	\$ 19,075	\$ 206,551
2014	335		38,222	48,397	225,294
2013	466		47,071	49,595	237,192

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 12. RISK MANAGEMENT (CONT'D)

Joint Insurance Pool – The School District is a member of the Gloucester, Cumberland, Salem School Districts Joint Insurance Fund. The Fund provides the School District with the following coverage:

Property (Including Inland Marine and Automobile Physical Damage)
Boiler and Machinery
Crime
General and Automotive Liability
Workers' Compensation
Educator's Legal Liability
Pollution Legal Liability

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations. As a participant in the Tri-County JIF, the reflective share of the combined fund balance or deficit is reported to the District each year, of which this amount is not reported in the Financial Statements of the District.

NOTE 13. DEFERRED COMPENSATION

The School District offers a choice of deferred compensation plans created in accordance with Internal Revenue Code Section 403(b) and 457. The plans, which are administered by the employer, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death, or unforeseeable emergency.

The below 403(b) service providers have been authorized by the School District:

Ameriprise Financial Services, Inc.
AXA Equitable Life Insurance Company
Fidelity Investments
ING Life Insurance and Annuity Company
Lincoln Investment Planning, Inc.
MetLife

NOTE 14. COMPENSATED ABSENCES

The School District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), "Accounting for Compensated Absences". A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

All School District employees are entitled to twelve paid sick leave days per fiscal school year. Unused sick leave may be accumulated and carried forward to the subsequent years. All School District employees except non-instructional aides are entitled to three personal days which may be carried forward and accumulated to be paid at retirement. Vacation days not used during the year may not be accumulated and carried forward.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 14. COMPENSATED ABSENCES (CONT'D)

Benefits paid in any future year will be calculated according to formulas outlined in the School District's agreements with the various employee unions and included in the current years' budget.

The liability for vested compensated absences is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, the liability for compensated absences in the governmental and proprietary fund types was \$1,011,108 and \$13,255, respectively.

NOTE 15. ARBITRAGE REBATE

The Tax Reform Act of 1986 placed restriction on investments of the proceeds of certain tax-exempt bonds issued after December 31, 1986. Specifically, investment earnings which are above arbitrage bond yield are required to be rebated to the United States Treasury Department within sixty days of the end of the fifth bond year. A bond year is defined as ending on the anniversary date of bond settlement.

The School District issued refunded bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is May 31, 2008 (the final maturity of the bonds) or earlier, the redemption date of the last outstanding bond. The School District also issued refunding bonds on February 22, 2005. Such bonds were dated March 22, 2005. The first required computation date of rebatable arbitrage in respect to the bonds is February 28, 2010 (the final maturity bonds) or if earlier, the redemption date of the last outstanding bond.

NOTE 16. INTERFUND RECEIVABLES AND PAYABLES

Interfund balances are generated as a result of advances or deposits of one fund are made by and received by another fund. The following interfund balances were recorded on the various balance sheets as of June 30, 2015.

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
General	\$ 123,594	\$ 915,468
Special Revenue		106,363
Capital Projects	536,621	
Proprietary	377,770	
Fiduciary	1,077	17,231
	<u>\$ 1,039,062</u>	<u>\$ 1,039,062</u>

The interfund receivables and payables above predominately resulted from payments made by certain funds on behalf of other funds. During the fiscal year 2014, the District expects to liquidate such interfunds, depending upon the availability of cash flow.

NOTE 17. DEFICIT FUND BALANCES

The School District has a deficit of \$1,264,483 in the general fund and a deficit of \$86,697 in the special revenue fund, as of June 30, 2015 as reported in the fund statements (modified accrual basis). N.J.S.A. 18A:22-44.2 provides that in the event a state school aid payment is not made until the following school budget year, school districts must record the delayed one or more June state aid payment as revenue for budget purposes only in the current school budget year. The statute provides legal authority for school districts to recognize the revenue in a current school budget year.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 17. DEFICIT FUND BALANCES (CONT'D)

For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other governmental recognizes a liability. Since the State is recording the last state aid payment in the subsequent fiscal year, the school district cannot recognize the last state aid payment on the GAAP financial statements until the year the State records the payment. Due to the timing difference of recording the June state aid payments, the general and special revenue fund balance deficit does not alone indicate that the district is facing financial difficulties.

Pursuant to N.J.S.A. 18A:22-44.2 any negative unassigned general fund balance that is reported as a direct result from a delay in the June payments of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action. The School District's general fund deficit is less than the June state aid payments received in July, 2015 and the School District's special revenue fund deficit in the GAAP funds statements of \$86,697 is the same as the June state aid payments received in July, 2015.

NOTE 18. FUND BALANCES

NONSPENDABLE

As stated in Note 1, the nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. There are no nonspendable fund balances of the School District, as of June 30, 2015.

RESTRICTED

As stated in Note 1, the restricted fund balance classification includes amounts that are restricted to specific purposes. Such restrictions, or constraints, are placed on the use of resources by either of the following: (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation. Specific restrictions of the School District's fund balance are summarized as follows:

General Fund –

For Excess Surplus – In accordance with N.J.S.A. 18A:7F-7, as amended, the designation of restricted fund balance – excess surplus is the result of a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve general fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budget fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$690,625, of which \$302,314 was assigned for utilization in the 2015-16 budget and \$388,311 will be utilized in the 2016-17 budget.

For Capital Reserve Account – As of June 30, 2015, the balance in the capital reserve account is \$758,198, of which \$100,000 was assigned for utilization in the 2015-16 budget. These funds are restricted for future capital outlay expenditures for capital projects in the School District's approved Long Range Facilities Plan (LRFP). The maximum amount of Capital Reserve is \$25,757,944.

For Maintenance Reserve Account – As of June 30, 2015, the balance in the maintenance reserve account is \$67,976. These funds are restricted for the required maintenance of school facilities in accordance with the Educational Facilities Construction and Financing Act (EFCFA) (N.J.S.A 18:7G-9) as amended by P.L. 2004, c. 73 (S1710). The maximum allowable reserve balance is \$2,445,906.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 18. FUND BALANCES (CONT'D)

Capital Projects Fund – As of June 30, 2015, the restricted fund balance amount was \$5,701,642. Budgets of district projects were approved and funded in part by the School Development Authority in the amount of \$13,509,588, Bond Proceeds of \$6,000,000 and \$600,000 from the Capital Reserve account.

Debt Service Fund – In accordance with N.J.S.A. 18A:7F-41(c) (2), the School District has established a debt service reserve, the amount of which is \$32,767 as of June 30, 2015.

ASSIGNED

As stated in Note 1, the assigned fund balance classification includes amounts that are constrained by the School District's intent to be used for specific purposes but are neither restricted nor committed. Specific assignments of the School District's fund balance are summarized as follows:

General Fund –

For Subsequent Year's Expenditures – The School District has appropriated and included as anticipated revenue for the fiscal year ending June 30, 2015 \$404,867.

Other Purposes - Committed As of June 30, 2015, the School District had \$427,900 of encumbrances outstanding for purchase orders and contracts signed by the School District, but not completed, as of the close of the fiscal year.

UNASSIGNED

As stated in Note 1, the unassigned fund balance classification represents fund balance that has not been restricted, committed, or assigned to specific purposes. The School District's unassigned fund balance is summarized as follows:

General Fund – As of June 30, 2015, the fund balance of the general fund was \$1,085,083, which includes an unassigned deficit of \$1,264,483. There was the result of the delay in the payment of state aid of \$1,998,608 until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid in the payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the general fund balance does not alone indicate that the School District is facing financial difficulties.

Special Revenue Fund – As of June 30, 2015, the fund balance of the special revenue fund was a deficit of \$86,697, thus resulting in the fund balance classification of unassigned. The deficit is a result from a delay in the payment of state aid until the following fiscal year. As stated in Note 17, since the State is recording the June state aid payments in the subsequent fiscal year, the School District cannot recognize the June state aid payment on the GAAP financial statements until the year the State records the payable. Due to the timing difference of recording the June state aid payments, the special revenue fund balance deficit does not alone indicate that the School District is facing financial difficulties. The unassigned deficit on the GAAP financial statements of \$86,697 is the same as the last state aid payment.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015**

NOTE 19: LITIGATION

The School District is a defendant in two legal proceedings that are currently awaiting a court hearing. The Board's insurance carrier is defending both claims. In addition, the Board has also received three Notice of Tort Claims that the outcome, or exposure to the Board, is either unknown or potential losses, if any, would not be material to the financial statements.

NOTE 20. AMORTIZATION OF DEBT REFUNDING COST

The School District has elected to implement GASB Statement No. 65 during the year under audit and as a result, has reflected the Bond Debt Refunding Cost as a Deferred Outflow of Resources on the Statement of Net Position, net of the portion amortized, as a component of interest expense over the life of the debt. During the 2014-15 School Year, \$100,000 was added from the current year bond issue and \$136,937 was amortized, resulting in a balance in Deferred Outflows of Resources of \$99,344, as of June 30, 2015.

NOTE 22. RETRO ACTIVE RESTATEMENT OF NET POSITION

Restatement of Prior Period

The District adopted GASB No. 68 - Accounting and Financial Reporting for Pensions - An amendment of GASB No. 27 during the 2015 fiscal year as required by the pronouncement. The pronouncement requires the district to record its proportional share of the State of New Jersey's net pension liability on the face of its financial statements as of June 30, 2015 and to record related pension expense in accordance with the pronouncement. In order to correctly reflect pension expense in accordance with GASB No. 68, the beginning Net Position of the district was adjusted to reflect the beginning balance of the net pension liability. Since the adjustments to Net Position relate to the beginning net pension liability measured as of June 30, 2013. Also, in accordance with GASB No. 71- Pension Transition for Contributions Made Subsequent to the Measurement Date, the district restated to its Net Position for pension contributions made after the beginning net pension liability measurement date of June 30, 2013 (deferred outflows).

Beginning net position as previously reported at June 30, 2014	\$ 13,819,000
Prior Period Adjustment - Implementation GASB 68:	
Net Pension Liability (measurement date)	(11,512,069)
Net Deferred Outflows	<u>453,857</u>
Net Position as restated, July 1, 2014	\$ <u><u>2,760,788</u></u>

REQUIRED SUPPLEMENTARY INFORMATION – PART II

BUDGETARY COMPARISON SCHEDULES

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 10,818,459	\$	\$ 10,818,459	10,818,459	\$
Tuition - Summer School	1,600		1,600	325	(1,275)
Tuition from LEAS within the State	1,025,000		1,025,000	833,044	(191,956)
Transportation Fees from Other LEAS	11,000		11,000	13,818	2,818
Interest on Investments				6,164	6,164
Interest on Investments - Capital Reserve	5		5		(5)
Rent	5,100		5,100	7,039	1,939
Miscellaneous	88,839		88,839	73,466	(15,373)
Total - Local Sources	11,950,003		11,950,003	11,752,315	(197,688)
State Sources:					
Categorical Special Education	1,172,562		1,172,562	1,172,562	
Equalization Aid	19,728,590		19,728,590	19,728,590	
Categorical Security Aid	281,855		281,855	281,855	
Categorical Transportation Aid	103,538		103,538	103,538	
PARCC Readiness Aid	21,010		21,010	21,010	
Per Pupil Growth Aid	21,010		21,010	21,010	
Extraordinary Aid	210,000		210,000	264,068	54,068
Reimbursement of Nonpublic School Transportation Costs				3,406	3,406
TPAF Post Retirement-Medical (On-Behalf - Non-Budgeted)				1,327,791	1,327,791
TPAF Pension & Annuity Fund (On-Behalf - Non-Budgeted)				836,404	836,404
Reimbursed TPAF Social Security (Non-Budgeted)				1,165,785	1,165,785
Total - State Sources	21,538,565		21,538,565	24,926,019	3,387,454
Federal Sources:					
Medical Assistance Program	54,638		54,638	196,655	142,017
Total - Federal Sources	54,638		54,638	196,655	142,017
Total Revenues	33,543,206		33,543,206	36,874,989	3,331,783
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers					
Preschool		56,520	56,520	56,520	
Kindergarten	670,264	73,000	743,264	725,156	18,108
Grades 1-5	2,884,815	(94,565)	2,790,250	2,737,079	53,171
Grades 6-8	2,081,577	(3,420)	2,078,157	2,009,373	68,784
Grades 9-12	2,587,583	(160,000)	2,427,583	2,402,464	25,119
Regular Programs - Home Instruction:					
Salaries of Teachers	46,058	20,020	66,078	66,077	1
Purchased Professional - Educational Services	45,000	(6,228)	38,772	37,147	1,625
Other Purchased Services (400-500 series)	3,500		3,500	372	3,128
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	183,460	(51,754)	131,706	126,830	4,876
Purchased Professional - Educational Services	484,995	21,714	506,709	498,198	8,511
Other Purchased Services (400-500 Series)	214,925	(8,692)	206,233	165,805	40,428
General Supplies	396,490	163,407	559,897	430,328	129,569
Textbooks	105,046	(53,210)	51,836	46,751	5,085
Other Objects	7,200	(3,500)	3,700	2,203	1,497
Total Regular Programs	9,710,913	(46,708)	9,664,205	9,304,303	359,902
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	704,742	185,146	889,888	889,538	350
Other Salaries for Instruction	98,055	(9,000)	89,055	88,394	661
General Supplies	10,000	(4,118)	5,882	295	5,587
Total Learning and/or Language Disabilities	812,797	172,028	984,825	978,227	6,598

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

EXPENDITURES (CONT'D)	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Multiple Disabilities:					
Salaries of Teachers	\$ 674,585	\$ 91,250	\$ 765,835	\$ 765,833	\$ 2
Other Salaries for Instruction	339,817	(27,581)	312,236	312,234	2
Purchased Professional Educational Services	5,000	(465)	4,535	4,535	
General Supplies	16,150	(5,554)	10,596	6,336	4,260
Total Multiple Disabilities	1,035,552	57,650	1,093,202	1,088,938	4,264
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	1,484,013	(306,659)	1,177,354	1,166,806	10,548
Other Salaries for Instruction	81,604		81,604	73,246	8,358
General Supplies	33,531	27,651	61,182	21,492	39,690
Textbooks	1,000		1,000		1,000
Total Resource Room/Resource Center	1,600,148	(279,008)	1,321,140	1,261,544	59,596
Special Education - Instruction:					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	216,020	(67,037)	148,983	146,328	2,655
Other Salaries for Instruction	21,807	17,037	38,844	38,844	
General Supplies	3,200	4,950	8,150	200	7,950
Total Preschool Disabilities - Instruction - Part -Time	241,027	(45,050)	195,977	185,372	10,605
Home Instruction:					
Purchased Professional-Educational Services					
Total Home Instruction					
TOTAL SPECIAL EDUCATION - INSTRUCTION	3,689,524	(94,380)	3,595,144	3,514,081	81,063
Basic Skills / Remedial - Instruction:					
Salaries of Teachers	449,446	(22,499)	426,947	363,733	63,214
Other Salaries for Instruction	21,265		21,265	19,625	1,640
Total Basic Skills / Remedial - Instruction	470,711	(22,499)	448,212	383,358	64,854
Bilingual Education - Instruction					
Salaries of Teachers	577,197	2,538	579,735	573,084	6,651
Other Salaries for Instruction	158,652	10,095	168,747	166,975	1,772
Purchased Professional - Educational Services	3,200	830	4,030	4,006	24
Total Bilingual Education - Instruction	739,049	13,463	752,512	744,065	8,447
School Sponsored Co-curricular Activities - Instruction					
Salaries	66,016		66,016	60,114	5,902
Supplies and Materials	4,600	771	5,371	3,894	1,477
Other Objects	5,000	4,129	9,129	9,129	
Total School Sponsored Co-curricular Activities - Instruction	75,616	4,900	80,516	73,137	7,379
School Sponsored Athletics - Instruction					
Salaries	192,954		192,954	181,478	11,476
Purchased Services (300-500 Series)	78,000	1,975	79,975	78,603	1,372
Supplies and Materials	36,000	10,287	46,287	45,943	344
Other Objects	16,000	(3,943)	12,057	3,960	8,097
Total School Sponsored Athletics - Instruction	322,954	8,319	331,273	309,984	21,289
Summer School - Instruction					
Salaries of Teachers	15,847		15,847	12,810	3,037
Purchased Professional & Technical Services	11,540		11,540		11,540
Total Summer School - Instruction	27,387		27,387	12,810	14,577
Total Instruction	15,036,154	(136,905)	14,899,249	14,341,738	557,511

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Budget Modifications</u>	<u>Final Budget</u>	<u>Actual (GAAP Basis)</u>	<u>Variance Positive (Negative) Final to Actual</u>
Current Expense (Cont'd)					
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Regular	\$ 72,748	\$ 19,637	\$ 92,385	\$ 56,090	\$ 36,295
Tuition to Other LEAs Within the State - Special	176,764	(110,634)	66,130	65,661	469
Tuition to County Voc School Dist - Regular	147,000	35,717	182,717	182,717	
Tuition to CSSD & Regional Day Schools	1,113,839	(76,658)	1,037,181	1,037,180	1
Tuition to Private Schools for the Disabled - Within State	354,640	162,551	517,191	486,072	31,119
Tuition to Priv Schools for the Disabled & Oth LEAs-Spl, O/S St	110,423	91,271	201,694	201,694	
Tuition - State Facilities	119,245		119,245	119,245	
Total Undistributed Expenditures - Instruction	2,094,659	121,884	2,216,543	2,148,659	67,884
Undistributed Expenditures - Attendance & Social Work:					
Salaries	49,130	(24,565)	24,565	24,565	
Total Undistributed Expend. - Attend. & Social Work	49,130	(24,565)	24,565	24,565	
Undistributed Expenditures - Health Services					
Salaries	280,113	20,661	300,774	296,373	4,401
Purchased Professional and Technical Services	165,000	6,732	171,732	169,046	2,686
Other Purchased Services (400-500 series)	1,000	(177)	823		823
Supplies and Materials	25,829	(4,578)	21,251	18,405	2,846
Total Undistributed Expenditures - Health Services	471,942	22,638	494,580	483,824	10,756
Undistributed Expenditures - Speech, OT, PT & Related Services:					
Salaries	120,506	(250)	120,256	120,256	
Purchased Professional - Educational Services	8,750	103,362	112,112	112,074	38
Supplies and Materials	100	(100)			
Total Undistributed Expenditures - Speech, OT, PT & Related Services	129,356	103,012	232,368	232,330	38
Undistributed Expenditures - Guidance					
Salaries of Other Professional Staff	619,494	(33,186)	586,308	554,243	32,065
Salaries of Secretarial and Clerical Assistants	99,116	(15,000)	84,116	79,197	4,919
Purchased Professional - Educational Services	1,250	(750)	500		500
Other Purchased Professional and Technical Services	27,288		27,288		27,288
Supplies and Materials	11,893	1,264	13,157	9,278	3,879
Total Undistributed Expenditures - Guidance	759,041	(47,672)	711,369	642,718	68,651
Undistributed Expenditures - Child Study Teams					
Salaries of Other Professional Staff	455,270	(26,236)	429,034	429,033	1
Salaries of Secretarial and Clerical Assistants	49,444	(250)	49,194	49,194	
Purchased Professional- Educational Services	45,000	(10,656)	34,344	32,094	2,250
Other Purchased Professional and Technical Services	82,000	(67,529)	14,471	6,360	8,111
Misc Purchased Services (400-500 Series Other than Resid Costs)	3,000	(2,822)	178		178
Supplies and Materials	18,000	(2,407)	15,593	13,473	2,120
Other Objects	5,000	1,946	6,946	6,945	1
Total Undistributed Expenditures - Child Study Team	657,714	(107,954)	549,760	537,099	12,661
Undistributed Expenditures - Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	254,760	(67,000)	187,760	181,893	5,867
Salaries of Other Professional Staff	36,472	(7,500)	28,972	19,611	9,361
Salaries of Secretarial and Clerical Assistants	55,368	4,000	59,368	54,697	4,671
Supplies and Materials	7,990		7,990	3,361	4,629
Other Objects	3,379		3,379	1,367	2,012
Total Undistributed Expenditures - Improvement of Instruction Serv.	357,969	(70,500)	287,469	260,929	26,540

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Educational Media Services/ School Library:					
Salaries	\$ 301,748	\$ (30,000)	\$ 271,748	\$ 263,734	\$ 8,014
Salaries of Technology Coordinators	74,757		74,757	73,066	1,691
Purchased Professional and Technical Services	1,310		1,310	1,310	
Other Purchased Services (400-500 series)	12,675	(2,606)	10,069	6,425	3,644
Supplies and Materials	33,425	(2,370)	31,055	28,427	2,628
Total Undistributed Expenditures - Educational Media Services/ School Library:	423,915	(34,976)	388,939	372,962	15,977
Undistributed Expenditures - Instructional Staff Training Services					
Purchased Professional - Educational Services	25,500	5,141	30,641	18,129	12,512
Other Purchased Services (400-500 series)	39,000	22,514	61,514	30,736	30,778
Total Undistributed Expenditures - Instructional Staff Training Serv:	64,500	27,655	92,155	48,865	43,290
Undistributed Expenditures - Support Services - General Administration:					
Salaries	206,906	2,481	209,387	206,659	2,728
Legal Services	80,000	7,826	87,826	74,554	13,272
Audit Fees	25,000	(65)	24,935	24,900	35
Architectural/Engineering Services	30,000	47,969	77,969	76,302	1,667
Other Purchased Professional Services	15,000	27,144	42,144	35,280	6,864
Purchased Technical Services	1,500	540	2,040	2,037	3
Communications/Telephone	113,151	(44,542)	68,609	48,071	20,538
BOE Other Purchased Services	10,000		10,000	7,086	2,914
Other Purchased Services	388,885	20,374	409,259	390,045	19,214
General Supplies	12,000	1,258	13,258	12,644	614
Miscellaneous Expenditures	1,000		1,000	752	248
BOE Membership Dues and Fees	14,500		14,500	13,764	736
Total Undistributed Expenditures - Support Services - General Administration	897,942	62,985	960,927	892,094	68,833
Undistributed Expenditures - Support Service - School Administration:					
Salaries of Principals/Assistant Principals	967,281	(46,550)	920,731	863,334	57,397
Salaries of Other Professional Staff	100,000		100,000	99,984	16
Salaries of Secretarial and Clerical Assistants	474,420	1,000	475,420	457,445	17,975
Purchased Professional and Technical Services	11,500	46,600	58,100	55,650	2,450
Other Purchased Services (400-500 Series)	2,000	(700)	1,300	255	1,045
Supplies and Materials	46,969	5,828	52,797	47,622	5,175
Other Objects	4,250	257	4,507	4,506	1
Total Undistributed Expenditures - Support Services - School Administration	1,606,420	6,435	1,612,855	1,528,796	84,059
Undistributed Expenditures - Central Services					
Salaries	353,116	5,799	358,915	354,394	4,521
Purchased Technical Services	52,082	(14,609)	37,473	34,152	3,321
Supplies and Materials	4,500	729	5,229	5,229	
Other Objects	2,400	324	2,724	2,686	38
Total Undistributed Expenditures - Central Services	412,098	(7,757)	404,341	396,461	7,880
Undistributed Expenditures - Administrative Information Technology					
Salaries	183,324		183,324	173,686	9,638
Purchased Professional Services	500		500		500
Total Undistributed Expenditures - Administrative Information Tech.	183,824		183,824	173,686	10,138
Undistributed Expenditures - Req. Maint. for School Facilities					
Cleaning, Repair, and Maintenance Services	222,000	28,294	250,294	215,545	34,749
General Supplies	138,000	5,182	143,182	79,799	63,383
Total Undistributed Expenditures - Required Maintenance for School Facilities	360,000	33,476	393,476	295,344	98,132

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Current Expense (Cont'd)					
Undistributed Expenditures - Custodial Services:					
Salaries	\$ 1,423,046	\$ (26,399)	\$ 1,396,647	\$ 1,382,329	\$ 14,318
Salaries of Non-Instructional Aides	199,600	29,475	229,075	229,074	1
Purchased Professional and Technical Services	1,500		1,500		1,500
Cleaning, Repair and Maintenance Services	9,500	6,453	15,953	14,646	1,307
Other Purchased Property Services	98,000	(15,100)	82,900	71,340	11,560
Insurance	117,440		117,440	117,440	-
General Supplies	138,150	(14,785)	123,365	100,757	22,608
Energy (Natural Gas)	253,000	656	253,656	215,504	38,152
Energy (Electricity)	435,000	49,812	484,812	433,447	51,365
Energy (Gasoline)	16,000		16,000	9,500	6,500
Total Undistributed Expenditures - Custodial Services	2,691,236	30,112	2,721,348	2,574,037	147,311
Undistributed Expenditures - Care and Upkeep of Grounds					
Salaries	161,204	(9,097)	152,107	152,107	
Cleaning, Repair and Maintenance Services	30,000	(1,576)	28,424	23,852	4,572
General Supplies	12,000	10,001	22,001	20,475	1,526
Total Undistributed Expenditures - Care and Upkeep of Grounds	203,204	(672)	202,532	196,434	6,098
Undistributed Expenditures - Security					
Salaries	70,545	24,065	94,610	74,958	19,652
Cleaning, Repair and Maintenance Services	25,000		25,000	12,800	12,200
General Supplies	12,000		12,000	2,751	9,249
Total Undistributed Expenditures - Security	107,545	24,065	131,610	90,509	41,101
Undistributed Expenditures - Student Transportation Services					
Salaries - Between Home and School - Regular	55,153	-	55,153	54,471	682
Management Fee - ESC Transportation Program	2,021	667	2,688	2,671	17
Other Purchased Professional and Technical Services	3,328	(328)	3,000	3,000	
Contracted Services - (Between Home and School) - Vendors	859,430	(37,960)	821,470	821,459	11
Contracted Services - (Other than Bet Home & School) - Vendors	80,500	3,750	84,250	82,180	2,070
Contracted Services (Between Home and School) - Joint Agreements	41,767	19,009	60,776	56,032	4,744
Contracted Services (Special Education Students) - Vendors	616,294	(38,566)	577,728	511,732	65,996
Contracted Services (Reg Education Students) - ESC's	104,632	(31,271)	73,361	65,798	7,563
Contracted Services (Spec Education Students) - ESC's	127,080	86,514	213,594	193,917	19,677
Contracted Services - Aid in Lieu Payments - Non Pub School	22,608	(4,928)	17,680	17,680	
Contracted Services - Aid in Lieu Payments - Choice Schl	6,742	7,402	14,144	12,770	1,374
Transportation Supplies	1,500	(1,100)	400	43	357
Total Undistributed Expenditures - Student Transportation Services	1,921,055	3,189	1,924,244	1,821,753	102,491
Unallocated Benefits:					
Social Security Contributions	511,750	(84,492)	427,258	412,356	14,902
Other Retirement Contributions - PERS	578,000	(80,955)	497,045	496,953	92
Workmen's Compensation	285,626		285,626	285,525	101
Health Benefits	3,610,421	523,040	4,133,461	4,111,552	21,909
Tuition Reimbursement	95,000	1,323	96,323	57,796	38,527
Other Employee Benefits	432,034	56,198	488,232	469,710	18,522
Total Unallocated Benefits	5,512,831	415,114	5,927,945	5,833,892	94,053
TPAF Post Retirement Medical (On-Behalf - Non-Budgeted)				1,327,791	(1,327,791)
Teacher's Pension & Annuity Fund (On-Behalf - Non-Budgeted)				836,404	(836,404)
Reimbursed TPAF Social Security (Non-Budgeted)				1,165,785	(1,165,785)
Total On-Behalf Contributions				3,329,980	(3,329,980)
Total Undistributed Expenditures	18,904,381	556,469	19,460,850	21,884,937	(2,424,087)
Total Current Expense	33,940,535	419,564	34,360,099	36,226,675	(1,866,576)

See Management's Discussion and analysis section of this report for explanation of significant budget variances, original and final

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Original Budget	Budget Modifications	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
Capital Outlay					
Increase in Maintenance Reserve	\$ 5	\$ (5)			
Interest Deposit on Capital Reserve	5		5		5
	<u>10</u>	<u>(5)</u>	<u>5</u>		<u>5</u>
Equipment:					
Preschool Disabilities -Part-Time		7,800	7,800	7,753	47
Undistributed Expenditures:					
Custodial Services		26,950	26,950	16,000	10,950
Care and Upkeep of Grounds		3,200	3,200		3,200
Special Schools - (All Programs)		5,750	5,750		5,750
Total Equipment		<u>43,700</u>	<u>43,700</u>	<u>23,753</u>	<u>19,947</u>
Facilities Acquisition and Construction Services					
Construction Services	99,995	269,777	369,772	259,432	110,340
Other Objects - Debt Service Assessment	52,666		52,666	52,666	
Total Facilities Acquisition and Construction Services	<u>152,661</u>	<u>269,777</u>	<u>422,438</u>	<u>312,098</u>	<u>110,340</u>
Total Capital Outlay	<u>152,671</u>	<u>313,472</u>	<u>466,143</u>	<u>335,851</u>	<u>130,292</u>
Total Expenditures	<u>34,093,206</u>	<u>733,036</u>	<u>34,826,242</u>	<u>36,562,526</u>	<u>(1,736,284)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(550,000)</u>	<u>(733,036)</u>	<u>(1,283,036)</u>	<u>312,463</u>	<u>1,595,499</u>
OTHER FINANCING SOURCES (USES):					
Operating Transfers (Out) :					
Capital Reserve Transferred to the Capital Projects Fund		(600,000)	(600,000)	(600,000)	
Interest Earned Transferred from Capital Project Fund				1,816	1,816
Total Other Financing Sources (Uses):		<u>(600,000)</u>	<u>(600,000)</u>	<u>(598,184)</u>	<u>1,816</u>
Net Change in Fund Balances	<u>(550,000)</u>	<u>(1,333,036)</u>	<u>(1,883,036)</u>	<u>(285,721)</u>	<u>1,597,315</u>
Fund Balances - Beginning of Year	3,369,412		3,369,412	3,369,412	
Fund Balances - End of Year	\$ <u>2,819,412</u>	\$ <u>(1,333,036)</u>	\$ <u>1,486,376</u>	\$ <u>3,083,691</u>	\$ <u>1,597,315</u>
Recapitulation:					
Fund Balances:					
Restricted:					
Capital Reserve				\$ 658,198	
Maintenance Reserve				67,976	
Excess Surplus				302,314	
Assigned Fund Balance:					
Capital Reserve - Designated For Subsequent Year's Expenditures				100,000	
Year-End Encumbrances				427,900	
Excess Surplus Designated For Subsequent Year's Expenditures				388,311	
Designated For Subsequent Year's Expenditures				404,867	
Unassigned				734,125	
				<u>3,083,691</u>	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(1,998,608)	
				<u>\$ 1,085,083</u>	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
State Sources:					
Early Childhood Case Grant	\$ 866,970	\$ 7,814	\$ 866,970	\$ 866,970	\$ 7,814
Total - State Sources	866,970	7,814	874,784	874,784	
Federal Sources:					
Title I	1,439,425	(73,465)	1,365,960	1,365,960	
Title II	141,668	12,770	154,438	154,438	
Title III	44,269	9,458	53,727	53,727	
I.D.E.A., Part B	541,416	42,515	583,931	583,931	
I.D.E.A., Part B. Preschool Incentive		20,664	20,664	20,664	
Race to the Top 3	39,318	(2,250)	37,068	37,068	
Perkins Vocational	12,422	1,535	13,957	13,957	
Total - Federal Sources	2,218,518	11,227	2,229,745	2,229,745	
Other					
Whole Kids Garden		2,000	2,000	2,000	
Salem County Bridges		13	13	13	
		2,013	2,013	2,013	
Total Revenues	3,085,488	21,054	3,106,542	3,106,542	
EXPENDITURES:					
Instruction					
Salaries of Teachers	896,912	157,104	1,054,016	1,054,016	
Other Salaries for Instruction	291,729	59,900	351,629	351,629	
Purchased Professional and Technical Services	40,968	(34,999)	5,969	5,969	
Other Purchased Services (400-500 Series)	22,561	(20,511)	2,050	2,050	
Tuition	521,150	62,781	583,931	583,931	
General Supplies	225,883	(43,375)	182,508	182,508	
Other Objects	5,130	(2,172)	2,958	2,958	
Total Instruction	2,004,333	178,728	2,183,061	2,183,061	
Support Services:					
Salaries of Principals, Assistant Principals and Program Directors	48,540	1,312	49,852	49,852	
Salaries of Other Professional Staff	96,284	4,764	101,048	101,048	
Salaries of Secretarial and Clerical Assistants	49,650	(217)	49,433	49,433	
Other Salaries	62,929	(19,036)	43,893	43,893	
Personal Services - Employee Benefits	23,154	5,894	29,048	29,048	
Medical Benefits	359,561	1,933	361,494	361,494	
Other Employee Benefits	116,105	26,438	142,543	142,543	
Purchased Professional - Technical Services	35,578	1,490	37,068	37,068	
Purchased Professional - Educational Services	166,500	(79,905)	86,595	86,595	
Contracted Services - Transportation Other than Between Home and School	1,458	(519)	939	939	
Travel	270	222	492	492	
Other Purchased Services (400-500 Series)	9,000	(5,804)	3,196	3,196	
General Supplies	77,090	(72,703)	4,387	4,387	
Miscellaneous Expenditures	35,036	(21,543)	13,493	13,493	
Total Support Services	1,081,155	(157,674)	923,481	923,481	
Total Expenditures	3,085,488	21,054	3,106,542	3,106,542	
Excess (Deficiency) of Revenues Over (Under)					
Expenditures and Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

REQUIRED SUPPLEMENTARY INFORMATION
PART III

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Schedules of Required Supplementary Information Part III

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Public Employee's Retirement System

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.0599921946%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 11,232,180
District's Covered-Employee Payroll	\$ 4,139,246
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	271.36%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

SCHEDULE L-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT CONTRIBUTIONS

Public Employee's Retirement System

	<u>2014</u>
Contractually Required Contribution	\$ 494,567
Contributions in Relation to the Contractually Required Contribution	(494,567)
Contribution Deficiency (Excess)	\$ <u><u>-</u></u>
 District's Covered-Employee Payroll	 \$ 4,139,246
Contributions as a Percentage of Covered-Employee Payroll	11.95%

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

Schedules of Required Supplementary Information

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY**

Teachers Pension Plan

	<u>2014</u>
District's Proportion of the Net Pension Liability(Asset)	0.1645185165%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 144,661
District's Covered-Employee Payroll	\$ 15,866,952
District's Proportionate Share of the Net Pension Liability (Asset) as a percentage of its covered-employee payroll	0.91%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%

Note: The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

**NOTES TO THE REQUIRED SUPPLEMENTARY
INFORMATION PART III**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION PART III
Pension Schedules

For the Fiscal Year Ended June 30, 2015

Teachers' Pension and Annuity Fund (TPAF)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

Change of assumptions. Mortality rates were based on the RP-2000 Health Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

Public Employees' Retirement System (PERS)

Changes of benefit terms. The vesting and benefit provisions are set by N.J.S.A. 43:15A. PERS provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

Change of assumptions. Mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (setback 1 year for females) with adjustments for mortality improvements from the base year of 2012 Based on Projection Scale AA.

OTHER SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUND DETAIL STATEMENTS

The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014)

	<u>N.C.L.B.</u>		Total Carried Forward
	<u>Title I</u>	<u>Title II</u>	
	<u>Part A</u>	<u>A-Training</u>	
	<u>2014-2015</u>	<u>2014-2015</u>	
REVENUES:			
Federal Sources	\$ 1,365,960	\$ 154,438	\$ 1,520,398
State Sources			
Other			
Total Revenues	\$ 1,365,960	\$ 154,438	\$ 1,520,398
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 560,622	\$ 119,178	\$ 679,800
Other Salaries for Instruction	147,723		147,723
Purchased Professional and Technical Services	5,549		5,549
Tuition			
General Supplies	150,058		150,058
Other Objects			
Total Instruction	863,952	119,178	983,130
Support Services:			
Salaries of Other Professional Staff	62,551		62,551
Personal Services - Employee Benefits		25,742	25,742
Medical Benefits	191,609	9,518	201,127
Other Employee Benefits	142,543		142,543
Purchased Professional - Technical Services			
Purchased Professional - Educational Services	86,595		86,595
Contracted Services - Transportation Other Than Between Home and School			
Travel	178		178
Other Purchased Services (400-500)	696		696
Supplies	4,387		4,387
Miscellaneous Expenditures	13,449		13,449
Total Support Services	502,008	35,260	537,268
Total Expenditures	1,365,960	154,438	1,520,398
Excess (Deficiency) of Revenue Over (Under) Expenditures	\$	\$	\$

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 2014)

	Total Brought Forward	Whole Kids Garden	N.C.L.B.	I.D.E.A. Part B	Total Carried Forward
			III - English Lang	Basic	
			2014-2015	2014-2015	
REVENUES:					
Federal sources	\$ 1,520,398	\$	\$ 53,727	\$ 583,931	\$ 2,158,056
State Sources					
Local Sources		2,000			2,000
Total Revenues	1,520,398	2,000	53,727	583,931	2,160,056
EXPENDITURES:					
Instruction:					
Salaries of Teachers	679,800				679,800
Other Salaries for Instruction	147,723		22,963		170,686
Purchased Professional and Technical Services	5,549				5,549
Other Purchased Services (400-500 Series)					
Tuition				583,931	583,931
General Supplies	150,058	2,000	19,673		171,731
Other Objects					
Total Instruction	983,130	2,000	42,636	583,931	1,611,697
Support Services:					
Salaries of Other Professional Staff	62,551				62,551
Personal Services - Employee Benefits	25,742		1,757		27,499
Medical Benefits	201,127		9,290		210,417
Other Employee Benefits	142,543				142,543
Purchased Professional - Technical Services					
Purchased Professional - Educational Services	86,595				86,595
Contracted Services - Transportation Other Than Between Home and School					
Travel	178				178
Other Purchased Services (400-500 Series)	696				696
General Supplies	4,387				4,387
Miscellaneous Expenditures	13,449		44		13,493
Total Support Services	537,268		11,091		548,359
Total Expenditures	1,520,398	2,000	53,727	583,931	2,160,056
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION AID
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

District-Wide Total

	Budgeted	Actual	Variance
EXPENDITURES:			
Instruction:			
Salaries of Teachers	\$ 374,216	\$ 374,216	\$
Other Salaries for Instruction	162,392	162,392	
Total Instruction	536,608	536,608	
Support Services:			
Salaries of Principals	49,852	49,852	
Salaries of Other Professional Staff	36,801	36,801	
Salaries of Secretarial/Clerical Assistants	49,433	49,433	
Other Salaries	43,893	43,893	
Other Employee Benefits	150,383	150,383	
Total Support Services	330,362	330,362	
Total Expenditures	\$ 866,970	\$ 866,970	\$

CALCULATION OF BUDGET & CARRYOVER

Total Revised 2014-2015 Preschool Education Aid Allocation	\$ 866,970	(1)
Add: Actual ECPA Carryover (June 30, 2014)		(2)
Add: Budgeted Transfer from the General Fund 2014-15		(3)
Total Preschool Education Aid Funds Available for 2014-2015 Budget	866,970	(4)
Less: 2014-2015 Budgeted Preschool Education Aid (Including Prior Year Budgeted Carryover)	(866,970)	(5)
Available and Unbudgeted Preschool Education Aid Funds as of June 30, 2015		(6)
Add: June 30, 2015 Unexpended Preschool Education Aid		(7)
Less: 2014-15 Commissioner-approved Transfer to the General Fund		(8)
2014-15 Carryover - Preschool Education Aid/Preschool Programs	\$	(9)
2014-15 Preschool Education Aid Carryover Budgeted for Preschool Programs 2015-16	\$	(10)

CAPITAL PROJECTS FUND DETAIL STATEMENT

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

DOE Project Number	Issue/Project Title	Date	Appropriations	Adjusted/ Cancelled	Expenditures to Date		Unexpended Balance 6/30/15	Memo Only	
					Prior Year	Current Year		Encumbrances	Available Balance
4070-50-10-1004	Science Lab & Auditorium Upgrade at Penns Grove High School		\$ 3,000,000	\$ (261,352)	\$ 2,738,648	\$	\$ -	\$	\$ -
	Parking Lot Improvements at the Lafayette-Pershing School			62,124		57,948	4,176		4,176
N/A	Site Expansion at Lafayette-Pershing Elementary School	4/13/15	291,189				291,189		291,189
4070-050-14-1001	Penns Grove HS HVAC	4/13/15	2,646,100			10,624	2,635,476		2,635,476
4070-050-14-1002	Penns Grove HS Renovation	4/13/15	4,755,760			780,179	3,975,581		3,975,581
4070-080-14-1003	Paul W. Carleton ES Renovation	4/13/15	508,400			12,511	495,889		495,889
4070-080-14-1004	Paul W. Carleton HVAC	4/13/15	1,036,200			4,149	1,032,051		1,032,051
4070-090-14-1005	Field Street ES HVAC	4/13/15	1,453,100			5,764	1,447,336		1,447,336
4070-090-14-1006	Field Street ES Renovation	4/13/15	1,437,590			65,640	1,371,950		1,371,950
4070-100-14-1007	Lafayette-Pershing ES Roof; Ext Doors	4/13/15	684,950			177,401	507,549		507,549
4070-105-14-1008	Penns Grove MS Renovation	4/13/15	7,125,999			202,581	6,923,418		6,923,418
4070-105-14-1009	Penns Grove MS Roof	4/13/15	14,500			-	14,500		14,500
4070-105-14-1010	Penns Grove MS HVAC	4/13/15	64,900			64,900	-		-
4070-105-14-1011	Penns Grove MS HVAC - Admin Off	4/13/15	90,900			257	90,643		90,643
			<u>\$ 23,109,588</u>	<u>\$ (199,228)</u>	<u>\$ 2,738,648</u>	<u>\$ 1,381,954</u>	<u>\$ 18,789,758</u>	<u>\$</u>	<u>\$ 18,789,758</u>
			Unearned SDA Grant Fund Balance				13,088,116 5,701,642		
							<u>18,789,758</u>		

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2015

**Revenues and Other Financing
Sources**

State Sources - SDA Grant	\$	13,509,588
Bond Proceeds		6,000,000
Transfer from Capital Reserve		600,000
Interest Income		1,816
		<hr/>
Total Revenues		20,111,404
		<hr/>

**Expenditures and Other Financing
Uses**

Other Professional and Technical Services	\$	45,973
Construction Services		1,335,981
		<hr/>
Total Expenditures		1,381,954
		<hr/>

Excess (Deficiency) of Revenues Over (Under) Expenditures Before Transfers		18,729,450
Transfer of Interest Income to General Fund		(1,816)
		<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures		18,727,634
Fund Balance - Beginning		62,124
		<hr/>
Fund Balance - Ending	\$	18,789,758
		<hr/> <hr/>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF AUDITORIUM AND SCIENCE LABS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
Maintenance Reserve	\$ 224	\$	\$ 224	\$ 224
Transferred from Other Projects by Authorizing Resolution	9,466		9,466	9,466
Transfer from Capital Reserve	775,000		775,000	775,000
State Sources - SDA Grant	2,008,082		2,008,082	2,008,082
Bond Proceeds & Transfers	8,000		8,000	8,000
	2,800,772		2,800,772	2,800,772
Expenditures and Other Financing Uses				
Other Professional and Technical Services	203,789		203,789	203,789
Construction Services	2,491,860	57,948	2,549,808	2,491,860
General Supplies	7,009		7,009	7,009
Equipment Purchases	6,971		6,971	6,971
Other Costs	29,019		29,019	91,143
	2,738,648	57,948	2,796,596	2,800,772
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 62,124	\$ (57,948)	\$ 4,176	\$
Additional project information:				
Project Number	4070-050-10-1004			
Grant Date	4/5/12			
Original Authorization Cost	\$3,000,000			
Additional Authorized Cost	(199,228)			
Revised Authorized Cost	2,800,772			
Percentage Decrease over Original Authorized Cost	N/A			
Percentage Completion	100%			
Original Target Completion Date	11/15/2012			
Revised Target Completion Date	N/A			

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 1,803,764	\$ 1,803,764	\$ 1,803,764
Bond Proceeds & Transfers		842,336	842,336	842,336
Total Revenues		2,646,100	2,646,100	2,646,100
Expenditures and Other Financing Uses				
Other Professional and Technical Services		6,454	6,454	275,500
Construction Services		4,170	4,170	2,136,000
Other Costs				234,600
Total Expenditures		10,624	10,624	2,646,100
Excess (Deficiency) of Revenues Over (Under) Expenditure: \$	\$	\$ 2,635,476	\$ 2,635,476	\$

Additional project information:

DOE Project Number	4070-050-14-1001
SDA Project Number	4070-050-14-G2NH
Grant Date	4/13/15
Original Authorization Cost	\$2,646,100
Additional Authorized Cost	
Revised Authorized Cost	2,646,100
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2016
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 3,241,854	\$ 3,241,854	\$ 3,241,854
Bond Proceeds & Transfers		1,513,906	1,513,906	1,513,906
Total Revenues		4,755,760	4,755,760	4,755,760
Expenditures and Other Financing Uses				
Other Professional and Technical Services		11,600	11,600	520,900
Construction Services		768,579	768,579	3,793,560
Other Costs				441,300
Total Expenditures		780,179	780,179	4,755,760
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 3,975,581	\$ 3,975,581	\$

Additional project information:

DOE Project Number	4070-050-14-1002
SDA Project Number	4070-050-14-G2JL
Grant Date	4/13/15
Original Authorization Cost	\$4,755,760
Additional Authorized Cost	
Revised Authorized Cost	4,755,760
Percentage Decrease over Original Authorized Cost	
Percentage Completion	5%
Original Target Completion Date	9/2017
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF SECURITY COMMUNICATIONS, EXTERIOR DOOR AND FRAMES,
AND REST ROOMS AT PENNS GROVE HIGH SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u>	<u>Current</u>	<u>Totals</u>	<u>Revised</u>
	<u>Periods</u>	<u>Year</u>		<u>Authorized</u>
				<u>Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 346,561	\$ 346,561	\$ 346,561
Bond Proceeds & Transfers		161,839	161,839	161,839
Total Revenues		<u>508,400</u>	<u>508,400</u>	<u>508,400</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services		1,241	1,241	121,550
Construction Services		11,270	11,270	284,000
Other Costs				102,850
Total Expenditures		<u>12,511</u>	<u>12,511</u>	<u>508,400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ <u>495,889</u>	\$ <u>495,889</u>	\$

Additional project information:

Doe Project Number	4070-080-14-1003
SDA Project Number	4070-080-14-G2JM
Grant Date	4/13/15
Original Authorization Cost	\$508,400
Additional Authorized Cost	
Revised Authorized Cost	508,400
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2016
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PAUL W. CARLETON ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 706,345	\$ 706,345	\$ 706,345
Bond Proceeds & Transfers		329,855	329,855	329,855
Total Revenues		1,036,200	1,036,200	1,036,200
Expenditures and Other Financing Uses				
Other Professional and Technical Services		2,529	2,529	108,300
Construction Services		1,620	1,620	836,000
Other Costs				91,900
Total Expenditures		4,149	4,149	1,036,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 1,032,051	\$ 1,032,051	\$

Additional project information:

DOE Project Number	4070-080-14-1004
SDA Project Number	4070-080-14-G2NI
Grant Date	4/13/15
Original Authorization Cost	\$1,036,200
Additional Authorized Cost	
Revised Authorized Cost	1,036,200
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2016
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT FIELD STREET ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 990,533	\$ 990,533	\$ 990,533
Bond Proceeds & Transfers		462,567	462,567	462,567
Total Revenues		1,453,100	1,453,100	1,453,100
Expenditures and Other Financing Uses				
Other Professional and Technical Services		3,544	3,544	152,200
Construction Services		2,220	2,220	1,172,000
Other Costs				128,900
Total Expenditures		5,764	5,764	1,453,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 1,447,336	\$ 1,447,336	\$

Additional project information:

DOE Project Number	4070-090-14-1005
SDA Project Number	4070-090-14-G2NJ
Grant Date	4/13/15
Original Authorization Cost	\$1,453,100
Additional Authorized Cost	
Revised Authorized Cost	1,453,100
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2017
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT FIELD STREET ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 979,961	\$ 979,961	\$ 979,961
Bond Proceeds & Transfers		457,629	457,629	457,629
Total Revenues		1,437,590	1,437,590	1,437,590
Expenditures and Other Financing Uses				
Other Professional and Technical Services		3,506	3,506	166,500
Construction Services		62,134	62,134	1,133,310
Other Costs				137,780
Total Expenditures		65,640	65,640	1,437,590
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 1,371,950	\$ 1,371,950	\$

Additional project information:

DOE Project Number	4070-090-14-1006
SDA Project Number	4070-090-14-G3JN
Grant Date	4/13/15
Original Authorization Cost	\$1,437,590
Additional Authorized Cost	
Revised Authorized Cost	1,437,590
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2016
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATION OF ROOF AND EXTERIOR DOORS AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 466,909	\$ 466,909	\$ 466,909
Bond Proceeds & Transfers		218,041	218,041	218,041
Total Revenues		684,950	684,950	684,950
Expenditures and Other Financing Uses				
Other Professional and Technical Services		1,670	1,670	71,700
Construction Services		175,731	175,731	552,500
Other Costs				60,750
Total Expenditures		177,401	177,401	684,950
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 507,549	\$ 507,549	\$

Additional project information:

DOE Project Number	4070-100-14-1007
SDA Project Number	4070-100-14-G2NK
Grant Date	4/13/15
Original Authorization Cost	\$684,950
Additional Authorized Cost	
Revised Authorized Cost	684,950
Percentage Decrease over Original Authorized Cost	
Percentage Completion	10%
Original Target Completion Date	9/2016
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
RENOVATIONS AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 4,857,573	\$ 4,857,573	\$ 4,857,573
Transfer from Capital Reserve		254,599	254,599	254,599
Bond Proceeds & Transfers		2,013,827	2,013,827	2,013,827
Total Revenues		7,125,999	7,125,999	7,125,999
Expenditures and Other Financing Uses				
Other Professional and Technical Services		15,429	15,429	794,600
Construction Services		187,152	187,152	5,658,100
Other Costs				673,300
Total Expenditures		202,581	202,581	7,126,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 6,923,418	\$ 6,923,418	\$

Additional project information:

DOE Project Number	4070-105-14-1008
SDA Project Number	4070-105-14-G3JO
Grant Date	4/13/15
Original Authorization Cost	\$7,125,999
Additional Authorized Cost	
Revised Authorized Cost	7,125,999
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2017
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
PARTIAL ROOF REPLACEMENT AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 9,884	\$ 9,884	\$ 9,884
Transfer from Capital Reserve		4,616	4,616	4,616
Bond Proceeds & Transfers				
Total Revenues		14,500	14,500	14,500
Expenditures and Other Financing Uses				
Other Professional and Technical Services				3,500
Construction Services				10,000
Other Costs				1,000
Total Expenditures				14,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 14,500	\$ 14,500	\$

Additional project information:

DOE Project Number	4070-105-14-1009
SDA Project Number	4070-105-14-G2NL
Grant Date	4/13/15
Original Authorization Cost	\$14,500
Additional Authorized Cost	
Revised Authorized Cost	14,500
Percentage Decrease over Original Authorized Cost	
Percentage Completion	1%
Original Target Completion Date	9/2016
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 44,240	\$ 44,240	\$ 44,240
Transfer from Capital Reserve		20,660	20,660	20,660
Bond Proceeds & Transfers				
Total Revenues		64,900	64,900	64,900
Expenditures and Other Financing Uses				
Other Professional and Technical Services				10,400
Construction Services		64,900	64,900	50,000
Other Costs				4,500
Total Expenditures		64,900	64,900	64,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ -	\$ -	\$

Additional project information:

DOE Project Number	4070-105-14-1010
SDA Project Number	4070-105-14-G2NM
Grant Date	4/13/15
Original Authorization Cost	\$64,900
Additional Authorized Cost	
Revised Authorized Cost	64,900
Percentage Decrease over Original Authorized Cost	
Percentage Completion	100%
Original Target Completion Date	6/2015
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
HVAC UPGRADES- ADMINISTRATIVE OFFICES AT PENNS GROVE MIDDLE SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenues and Other Financing Sources				
State Sources - SDA Grant	\$	\$ 61,964	\$ 61,964	\$ 61,964
Transfer from Capital Reserve		28,936	28,936	28,936
Bond Proceeds & Transfers		-	-	-
Total Revenues		90,900	90,900	90,900
Expenditures and Other Financing Uses				
Other Professional and Technical Services				13,400
Construction Services		257	257	70,000
Other Costs				7,500
Total Expenditures		257	257	90,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 90,643	\$ 90,643	\$

Additional project information:

DOE Project Number	4070-105-14-1011
SDA Project Number	4070-105-14-G3JP
Grant Date	4/13/15
Original Authorization Cost	\$3,000,000
Additional Authorized Cost	
Revised Authorized Cost	90,900
Percentage Decrease over Original Authorized Cost	
Percentage Completion	0%
Original Target Completion Date	9/2017
Revised Target Completion Date	

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND
PROJECT STATUS - BUDGETARY BASIS
SITE EXPANSION AT LAFAYETTE-PERSHING ELEMENTARY SCHOOL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Transfer from Capital Reserve		291,189	291,189	\$ 291,188
Bond Proceeds & Transfers				
Total Revenues		<u>291,189</u>	<u>291,189</u>	<u>291,188</u>
Expenditures and Other Financing Uses				
Other Professional and Technical Services				
Construction Services				291,188
Total Expenditures				<u>291,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$ 291,189	\$ 291,189	\$

Additional project information:

Original Authorization Cost	
Additional Authorized Cost	
Revised Authorized Cost	291,188
Percentage Decrease over Original Authorized Cost	N/A
Percentage Completion	0%
Original Target Completion Date	6/30/2016
Revised Target Completion Date	

PROPRIETARY FUND DETAIL STATEMENTS

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

Food Services Fund – This fund provides for the operation of food services in all schools within the school district.

School Age Child Care Fund – This fund provides for the operation of school child supervision.

Internal service funds – This fund is used to serve organizational units within the district or to serve other governmental units.

**THIS SECTION HAS ALREADY BEEN INCLUDED IN STATEMENTS B-4, B-5
AND B-6.**

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF NET POSITION
AS OF JUNE 30, 2015
(with comparative totals for June 30, 2014)

	<u>Food</u> <u>Service</u>	<u>Academy</u> <u>Program</u>	<u>Totals</u> <u>2015</u>	<u>2014</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 20,449	\$	\$ 20,449	\$ 2,360
Accounts Receivable:				
State	1,517		1,517	1,973
Federal	80,949		80,949	67,661
Other	825		825	662
Interfund Accounts Receivable	377,770		377,770	284,932
Inventories	29,312		29,312	16,674
Total Current Assets	510,822		510,822	374,262
Non Current Assets:				
Furniture, Machinery and Equipment	695,521	30,118	725,639	708,138
Less: Accumulated Depreciation	(602,561)	(19,073)	(621,634)	(604,010)
Total Non Current Assets	92,960	11,045	104,005	104,128
Total Assets	\$ 603,782	\$ 11,045	\$ 614,827	\$ 478,390
LIABILITIES				
Current Liabilities:				
Due to General Fund	\$	\$	\$	\$
Compensated Absences Payable	13,255		13,255	12,810
Accounts Payable	31,174		31,174	158
Unearned Revenue	15,185		15,185	4,932
Total Current Liabilities	59,614		59,614	17,900
Non-Current Liabilities:				
Compensated Absences				
Total Liabilities	59,614		59,614	17,900
NET POSITION				
Investment in Capital Assets Net of Related Debt	92,960	11,045	104,005	104,128
Unrestricted	451,208		451,208	356,362
Total Net Position	\$ 544,168	\$ 11,045	\$ 555,213	\$ 460,490

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(with comparative totals for June 30, 2014)

	<u>Food Service</u>	<u>Academy Program</u>	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
OPERATING REVENUES:				
Local Sources:				
Daily Sales-Reimbursable Programs:				
School Lunch Program	\$ 115,046	\$	\$ 115,046	\$ 114,718
Total Daily Sales-Reimbursable Programs	115,046		115,046	114,718
Daily Sales Non-Reimbursable Programs	123,776		123,776	144,692
Special Functions	10,647		10,647	10,021
Miscellaneous	782	5,248	6,030	791
Academy Tuition		130,606	130,606	186,707
Total Operating Revenue	250,251	135,854	386,105	456,929
OPERATING EXPENSES:				
Salaries	530,443	112,313	642,756	645,930
Employee Benefits	73,089		73,089	58,379
Employee Property Services	20,013		20,013	13,258
General Supplies	37,577		37,577	32,387
Depreciation	17,624		17,624	19,262
Transportation		7,163	7,163	48,180
Tuition		16,378	16,378	29,520
Miscellaneous	11,475		11,475	7,102
Cost of Sales	527,779		527,779	497,550
Total Operating Expenses	1,218,000	135,854	1,353,854	1,351,568
Operating Loss	(967,749)		(967,749)	(894,639)
Non-Operating Revenues (Expenses):				
State Sources:				
State School Lunch Program	14,936		14,936	15,471
Federal Sources:				
National School Breakfast Program	172,121		172,121	134,013
National School Lunch Program	726,496		726,496	714,325
National Snack Program	14,457		14,457	6,948
Fruit and Vegetable Grant	16,465		16,465	
Food Distribution Program	92,861		92,861	84,896
NSLP Equipment Assistance Grant	10,250		10,250	
Breakfast Program Expansion Grant	9,798		9,798	
Local Grant:				
Salem Health and Wellness Foundation	5,000		5,000	
Interest and Investment Revenue	88		88	98
Total Non-Operating Revenues (Expenses)	1,062,472		1,062,472	955,751
Change in Net Position	94,723		94,723	61,112
Total Net Position-July 1	449,445	11,045	460,490	399,378
Total Net Position-June 30	\$ 544,168	\$ 11,045	\$ 555,213	\$ 460,490

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ENTERPRISE FUND
COMBINING SCHEDULE OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(with comparative totals for June 30, 2014)

	Food		Academy		Totals	
	Service	Program	2015	2014	2015	2014
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 250,251	\$ 135,854	\$ 386,105	\$ 456,929		
Payments to Employees	(530,443)	(112,313)	(642,756)	(645,930)		
Payments for Employee Benefits	(73,089)		(73,089)	(58,379)		
Payments to Suppliers	(598,241)	(23,541)	(621,782)	(655,923)		
Net Cash Provided by (Used for) Operating Activities	(951,522)		(951,522)	(903,303)		
Cash Flows from Non-Capital Financing Activities:						
State Sources	14,936		14,936	15,471		
Federal Sources	949,587		949,587	855,286		
Local Sources	5,000		5,000			
Total Cash Provided by Non-Capital Financing Activities	969,523		969,523	870,757		
Net Increase Before Investing Activities	18,001		18,001	(32,546)		
Cash Flows from Investing Activities:						
Interest on Investments	88		88	98		
Net Cash Provided by Investing Activities	88		88	98		
Net Increase/(Decrease) in Cash and Cash Equivalents	18,089		18,089	(32,448)		
Cash and Cash Equivalents, July 1	2,360		2,360	34,808		
Cash and Cash Equivalents, June 30	\$ 20,449	\$	\$ 20,449	\$ 2,360		
Operating Income (Loss)						
Operating Income (Loss)	\$ (967,749)	\$	\$ (967,749)	\$ (894,639)		
Adjustments to Reconcile Operating Income (Loss) to Cash Provided (Used) by Operating Activities						
Depreciation	17,624		17,624	19,262		
Federal Commodities Food Distribution	92,861		92,861	84,896		
Change in Assets and Liabilities:						
(Increase)/Decrease in Accounts Receivable	(12,995)		(12,995)	114,929		
(Increase)/Decrease in Inventory	(12,638)		(12,638)	1,618		
(Increase)/Decrease in Interfund Receivable	(92,838)		(92,838)	(202,150)		
(Increase)/Decrease in Fixed Assets	(17,501)		(17,501)	(3,800)		
Increase/(Decrease) in Interfund Payable				(8,602)		
Increase/(Decrease) in Accounts Payable	31,016		31,016			
Increase/(Decrease) in Compensated Absences				(16,805)		
Increase/(Decrease) in Compensated Absences Payable	445		445	2,095		
Increase/(Decrease) in Unearned Revenue	10,253		10,253	(107)		
Total Adjustments	16,227		16,227	(8,664)		
Net Cash Used by Operating Activities	\$ (951,522)	\$	\$ (951,522)	\$ (903,303)		

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INTERNAL SERVICE FUND
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Food Service Director Services</u>
OPERATING REVENUES:	
Charges for Service:	
Service Provided to Other LEAs	
Food Service Director Services	\$ 8,250
	<hr/>
Total Operating Revenue	8,250
	<hr/>
OPERATING EXPENSES:	
Salaries	8,250
	<hr/>
Total Operating Expenses	8,250
	<hr/>
Change in Net Position	<hr/>
Net Position - July 1	<hr/>
Net Position - June 30	\$ <hr/> <hr/>

FIDUCIARY FUNDS DETAIL STATEMENTS

Fiduciary Funds are used to account for funds received by the school district for a specific purpose.

Agency Funds are used to account for assets held by the school district as an agent for individuals, private organizations, other governments and/or other funds.

Student Activity Fund – This agency fund is used to account for student funds held at the schools.

Payroll Fund – This agency fund is used to account for the payroll transactions of the school district.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF FIDUCIARY NET POSITION

JUNE 30, 2015

(with comparative totals for June 30, 2014)

	<u>Trust Funds</u>		<u>Agency Funds</u>		<u>Totals</u>	
	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Student Activity</u>	<u>Payroll</u>	<u>2015</u>	<u>2014</u>
ASSETS:						
Cash and Cash Equivalents Due from General Fund	\$ 1,422 1,077	\$ 208,847	\$ 68,859	\$ 442,740	\$ 721,868 1,077	\$ 696,485
Total Assets	<u>\$ 2,499</u>	<u>\$ 208,847</u>	<u>\$ 68,859</u>	<u>\$ 442,740</u>	<u>\$ 722,945</u>	<u>\$ 696,485</u>
LIABILITIES, RESERVES AND FUND BALANCES:						
Liabilities:						
Accounts Payable	\$	\$ 2,296	\$	\$	\$ 2,296	\$ 10,479
Due to Student Groups			68,859		68,859	79,579
Payroll Deductions and Withholdings				349,673	349,673	329,190
Employee Sec 125 Plan				75,836	75,836	33,388
Due to General Fund				17,231	17,231	17,231
Total Liabilities		<u>2,296</u>	<u>68,859</u>	<u>442,740</u>	<u>513,895</u>	<u>469,867</u>
Net Position:						
Held in Trust for Unemployment Claims and Other Purposes	<u>2,499</u>	<u>206,551</u>			<u>209,050</u>	<u>226,618</u>
Total Net Position	<u>2,499</u>	<u>206,551</u>			<u>209,050</u>	<u>226,618</u>
Total Liabilities, Reserves and Net Position	<u>\$ 2,499</u>	<u>\$ 208,847</u>	<u>\$ 68,859</u>	<u>\$ 442,740</u>	<u>\$ 722,945</u>	<u>\$ 696,485</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

	<u>School Uniform Trust</u>	<u>Unemployment Compensation Trust</u>	<u>Total</u>
ADDITIONS:			
Contributions:			
Employee Deductions	\$ 1,077	\$	\$ 1,077
Other	98		98
	<hr/>	<hr/>	<hr/>
Total Contributions	1,175		1,175
Investment Earnings:			
Interest		332	332
	<hr/>	<hr/>	<hr/>
Total Additions	1,175	332	1,507
	<hr/>	<hr/>	<hr/>
DEDUCTIONS:			
Uniforms			
Unemployment Claims		19,075	19,075
	<hr/>	<hr/>	<hr/>
Total Deductions		19,075	19,075
	<hr/>	<hr/>	<hr/>
Change in Net Position	1,175	(18,743)	(17,568)
Net Position - July 1 (Deficit)	1,324	225,294	226,618
	<hr/>	<hr/>	<hr/>
Net Position - June 30 (Deficit)	\$ 2,499	\$ 206,551	\$ 209,050
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
STUDENT ACTIVITY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
CARLETON SCHOOL	\$ 3,778	\$ 8,350	\$ 6,409	\$ 5,719
Total Carleton School	3,778	8,350	6,409	5,719
MIDDLE SCHOOL				
General Account	11,049	17,063	14,764	13,348
Total Middle School	11,049	17,063	14,764	13,348
HIGH SCHOOL				
General Account	64,347	200,015	214,894	49,468
Future Farmers of America	405	2,665	2,746	324
Petty Cash		1,153	1,153	
Total High School	64,752	203,833	218,793	49,792
Total All Schools	\$ 79,579	\$ 229,246	\$ 239,966	\$ 68,859

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1,</u> <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30,</u> <u>2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 379,809	\$ 24,858,937	\$ 24,796,006	\$ 442,740
Interfund Receivable				
Total Assets	<u>\$ 379,809</u>	<u>\$ 24,858,937</u>	<u>\$ 24,796,006</u>	<u>\$ 442,740</u>
LIABILITIES:				
Interfund Payable	\$ 17,231	\$	\$	\$ 17,231
Payroll Deductions and Withholdings	329,190	11,994,312	11,973,829	349,673
Employee Sec 125 Plan	33,388	241,864	199,416	75,836
Net Payroll		12,622,761	12,622,761	
Total Liabilities	<u>\$ 379,809</u>	<u>\$ 24,858,937</u>	<u>\$ 24,796,006</u>	<u>\$ 442,740</u>

LONG-TERM DEBT SCHEDULES

The Long-Term Schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding and obligations under capital leases.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LONG TERM DEBT
STATEMENT OF SERIAL BONDS
JUNE 30, 2015

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Retired</u>	<u>Refunded</u>	<u>Balance June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>						
Refunding School Bonds, Series 2003	6/9/03	\$ 4,465,000	12/15/15	\$ 210,000	3.400%	\$ 415,000	\$	\$ 205,000	\$	\$ 210,000
Refunding School Bonds, Series 2005	3/22/05	7,785,000				4,380,000		670,000	(3,710,000)	
Refunding School Bonds, Series 2015	11/13/14	3,810,000	3/1/16	745,000	1.000%			25,000	3,810,000	3,785,000
			3/1/17	750,000	1.000%					
			3/1/18	755,000	2.000%					
			3/1/19	770,000	2.000%					
			3/1/20	765,000	2.000%					
Improvements and Renovations to Penns Grove High School, Middle School, Paul Carlton Elementary School, Field St. Elementary School, Lafayette-Pershing Elementary School, Necessary Furniture, Equip. Site Work & Land Acquisition	2/18/15	6,000,000	3/1/17-20	180,000	2.000%					
			3/1/21-31	360,000	3.000%					
			3/1/32-35	330,000	3.250%	6,000,000			6,000,000	
						<u>\$ 4,795,000</u>	<u>\$ 6,000,000</u>	<u>\$ 900,000</u>	<u>\$ 100,000</u>	<u>\$ 9,995,000</u>

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 549,929	\$	\$ 549,929	\$ 549,929	\$
State Sources:					
Debt Service Aid Type II	505,736		505,736	505,736	
Total Revenues	1,055,665		1,055,665	1,055,665	
EXPENDITURES:					
Regular Debt Service:					
Interest on Bonds	155,665		155,665	122,898	32,767
Redemption of Principal	900,000		900,000	900,000	
Total expenditures	1,055,665		1,055,665	1,022,898	32,767
Excess (Deficiency) of Revenues Over (Under) Expenditures				32,767	32,767
Other Financing Sources:					
Operating Transfers In:					
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures				32,767	32,767
Fund Balance, July 1					
Fund Balance, June 30	\$	\$	\$	\$ 32,767	\$ 32,767
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Undesignated Fund Balance	\$	\$	\$	\$ 32,767	\$ 32,767

STATISTICAL SECTION

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Governmental Activities										
Invested in Capital Assets, Net of Related Debt	\$ 9,195,641	\$ 13,497,052	\$ 12,855,438	\$ 12,779,473	\$ 9,833,365	\$ 9,063,530	\$ 6,153,613	\$ 5,466,736	\$ 4,905,721	\$ 4,321,380
Restricted	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610	770,294	991,288
Unrestricted	(12,997,104)	(1,883,674)	(1,576,577)	(1,569,361)	(1,879,345)	(2,497,600)	(2,099,580)	(919,416)	(159,319)	(818,227)
Total Governmental Activities Net Position	\$ 3,844,878	\$ 13,819,000	\$ 13,478,824	\$ 13,451,270	\$ 10,907,566	\$ 10,311,367	\$ 7,603,398	\$ 6,313,930	\$ 5,516,696	\$ 4,494,441
Business-Type Activities										
Invested in Capital Assets, Net of Related Debt	\$ 104,005	\$ 104,128	\$ 119,590	\$ 135,615	\$ 122,865	\$ 139,845	\$ 128,735	\$ 120,764	\$ 146,908	\$ 160,409
Restricted										
Unrestricted	451,208	356,362	279,788	251,543	349,715	394,749	363,562	390,584	239,941	216,731
Total Business-Type Activities Net Position	\$ 555,213	\$ 460,490	\$ 399,378	\$ 387,158	\$ 472,580	\$ 534,594	\$ 492,297	\$ 511,348	\$ 386,849	\$ 377,140
District-Wide										
Invested in Capital Assets, Net of Related Debt	\$ 9,299,646	\$ 13,601,180	\$ 12,975,028	\$ 12,915,088	\$ 9,956,230	\$ 9,203,375	\$ 6,282,348	\$ 5,587,500	\$ 5,052,629	\$ 4,481,789
Restricted	7,646,341	2,205,622	2,199,963	2,241,158	2,953,546	3,745,437	3,549,365	1,766,610	770,294	991,288
Unrestricted	(12,545,896)	(1,527,312)	(1,296,789)	(1,317,818)	(1,529,630)	(2,102,851)	(1,736,018)	(528,832)	80,622	(601,496)
Total District-Wide Net Position	\$ 4,400,091	\$ 14,279,490	\$ 13,878,202	\$ 13,838,428	\$ 11,380,146	\$ 10,845,961	\$ 8,095,695	\$ 6,825,278	\$ 5,903,545	\$ 4,871,581

Source: CAFR Schedule A-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

(Accrual Basis of Accounting)

(Unaudited)

Fiscal Year Ending June 30,

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Expenses										
Governmental activities										
Instruction										
Regular	\$ 11,790,222	11,848,422	11,559,741	11,826,681	11,790,076	13,172,703	11,697,895	11,966,132	11,075,905	11,114,404
Special Education	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022	2,483,518	2,313,036
Other Special Instruction	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043	445,261	472,060
Other Instruction	395,931	406,459	356,606	336,799	336,659	346,272	340,008	338,803	288,410	314,989
Support Services										
Tuition	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119	568,826	820,778
Student and Instruction Related Services	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284	3,239,839	3,231,188
General Administrative Services	949,095	838,268	993,548							
School Administrative Services	1,528,796	1,530,355	1,400,520	1,549,345	1,548,441	1,679,595	1,595,764	1,416,545	1,353,850	1,379,682
Other Administrative Services	585,251	571,040	576,493	1,473,381	1,438,909	1,417,393	1,468,983	1,383,040	1,362,480	1,335,397
Plant Operations and Maintenance	3,411,630	3,383,562	3,897,524	3,355,922	2,828,113	3,086,329	2,910,473	3,277,642	2,770,970	2,542,643
Pupil Transportation	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886	1,365,055	1,199,947
Unallocated Benefits	13,632,801	9,503,065	9,147,425	8,082,765	7,941,614	6,900,907	7,295,474	8,227,428	7,800,478	6,282,929
Amortization of Debt Issuance Cost				71,109	77,394	83,407	85,053	87,322	90,202	88,778
Capital Outlay										11,359
Interest on Long-Term Debt	334,042	298,628	298,791	259,043	284,533	308,407	338,093	373,968	413,013	445,618
Total Governmental Activities Expenses	44,233,372	39,881,608	39,593,752	38,583,796	37,620,272	38,010,338	35,499,230	35,666,234	33,257,807	31,552,808
Business-Type Activities										
Food Service	1,218,000	1,152,487	1,206,552	1,169,776	1,126,629	1,168,399	1,159,740	1,089,620	1,022,560	999,496
Academy Program	135,854	199,081	173,333	201,065	223,064	193,070	185,508	89,831	93,304	68,312
Internal Service Fund	8,250	8,800	7,500	7,500	5,000					
Latchkey Program									477	488
Total Business-Type Activities Expense	1,362,104	1,360,368	1,387,385	1,378,341	1,354,693	1,361,469	1,345,248	1,179,451	1,116,341	1,068,296
Total District Expenses	\$ 45,595,476	41,241,976	40,981,137	39,962,137	38,974,965	39,371,807	36,844,478	36,845,685	34,374,148	32,621,104
Program Revenues										
Governmental Activities										
Charges for Services - Instruction (Tuition)	\$ 833,369	1,153,930	1,318,458	1,252,643	1,706,604	1,581,229	1,213,440	1,618,302	1,529,494	1,254,700
Operating Grants and Contributions	6,105,854	6,491,654	6,689,485	6,238,796	6,002,990	7,485,268	6,335,059	9,821,627	9,191,247	8,490,848
Total Governmental Activities Prog Revenues	6,939,223	7,645,584	8,007,943	7,491,439	7,709,594	9,066,497	7,548,499	11,439,929	10,720,741	9,745,548
Business-Type Activities										
Charges for Services										
Food Service	250,251	270,222	300,936	284,110	299,594	319,768	354,253	384,566	359,652	366,512
Academy Program	135,854	186,707	181,693	165,309	171,035	175,135	136,750	153,375	90,158	81,763
Internal Service Fund	8,250	8,800	7,500	7,500	5,000					
Latchkey Program										
Operating Grants and Contributions	1,062,384	955,653	909,382	835,864	816,887	908,659	833,777	765,715	667,367	621,029
Total Business-Type Activities Prog Revenues	1,456,739	1,421,382	1,399,511	1,292,783	1,292,516	1,403,562	1,324,780	1,303,656	1,117,177	1,069,304
Total District Program Revenues	\$ 8,395,962	9,066,966	9,407,454	8,784,222	9,002,110	10,470,059	8,873,279	12,743,585	11,837,918	10,814,852
Net (Expense)/Revenue										
Governmental Activities	\$ 37,294,149	32,236,024	31,585,809	31,092,357	29,910,678	28,943,841	27,950,731	24,226,305	22,537,066	21,807,260
Business-Type Activities	(94,635)	(61,014)	(12,126)	85,558	62,177	(42,093)	20,468	(124,205)	(836)	(1,008)
Total District-Wide Net Expense	\$ 37,199,514	32,175,010	31,573,683	31,177,915	29,972,855	28,901,748	27,971,199	24,102,100	22,536,230	21,806,252
General Revenues and Other Changes in Net Position										
Governmental Activities										
Property Taxes Levied for General Purposes, Net	\$ 10,818,459	10,368,642	10,002,588	9,491,035	9,380,255	9,019,476	9,289,494	9,229,034	9,120,821	8,109,974
Taxes Levied for Debt Service	549,929	550,349	551,884	552,912	555,419	455,930	468,193	643,920	693,288	661,400
Federal and State Aid Unrestricted	26,905,535	21,546,619	21,283,731	23,807,981	20,471,743	22,121,688	19,355,414	14,417,410	13,579,628	13,567,282
Federal and State Aid Restricted										
Federal and State Aid Restricted-Cancellation				(300,244)					(73,018)	
Loss on Disposal of Asset					(20,983)				(13,875)	
Miscellaneous Income	104,316	110,590	44,540	84,377	120,442	54,715	127,099	231,693	258,938	190,178
Lease Purchase Proceeds								500,000		
Transfers								1,482	(6,462)	
Other Financing Uses			(199,228)							10,225
Total Governmental Activities	38,378,239	32,576,200	31,683,515	33,636,061	30,506,876	31,651,809	29,240,200	25,023,539	23,559,320	22,539,059
Business-Type Activities										
Investment Earnings	88	98	94	136	163	204	1,417	1,776	2,410	1666
Transfer								(1,482)	6,462	
Total Business-Type Activities	88	98	94	136	163	204	1,417	294	8,872	1,666
Total District-Wide	\$ 38,378,327	32,576,298	31,683,609	33,636,197	30,507,039	31,652,013	29,241,617	25,023,833	23,568,192	22,540,725
Change in Net Position										
Governmental Activities	\$ 1,084,090	340,176	97,706	2,543,704	596,198	2,707,968	1,289,469	797,234	1,022,254	731,799
Business-Type Activities	94,723	61,112	12,220	(85,422)	(62,014)	42,297	(19,051)	124,499	9,708	2,674
Total District-Wide	\$ 1,178,813	401,288	109,926	2,458,282	534,184	2,750,265	1,270,418	921,733	1,031,962	734,473

Source: CAFR Schedule A-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ending June 30,									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General Fund										
Restricted	\$ 1,516,799	\$ 1,609,717	\$ 1,519,305	\$	\$	\$	\$	\$	\$	\$
Assigned	832,767	1,083,781	1,564,402	1,144,455	916,405					
Unassigned (Deficit)	(1,264,483)	(1,284,628)	(1,368,260)	(1,217,034)	(1,266,588)					
Reserved						3,396,047	3,591,334	1,789,282	953,490	943,126
Unreserved				1,498,817	2,069,613	(1,317,082)	(810,362)	597,045	1,191,309	663,617
Total General Fund	\$ 1,085,083	\$ 1,408,870	\$ 1,715,447	\$ 1,498,817	\$ 2,069,613	\$ 2,078,965	\$ 2,780,972	\$ 2,386,327	\$ 2,144,799	\$ 1,606,743
All Other Governmental Funds										
Reserved	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted, Reported in:										
Special Revenue Fund	(86,697)	(86,697)	(79,059)	(78,660)	(74,232)	(74,412)	(71,996)	(168,930)	(137,930)	(137,930)
Capital Projects Fund	5,701,642	62,124	62,124	535,196	626,408	451,965	42,976	72,058	26,215	138,592
Debt Service Fund	32,767						8,749	8,750	31,898	31,897
Total All Other Governmental Funds	\$ 5,647,712	\$ (24,573)	\$ (16,935)	\$ 456,536	\$ 552,176	\$ 377,553	\$ (20,271)	\$ (88,122)	\$ (79,817)	\$ 32,559

Source: CAFR Schedule B-1

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Revenues										
Tax Levy	\$ 11,368,388	\$ 10,918,991	\$ 10,554,472	\$ 10,043,947	\$ 9,935,674	\$ 9,475,406	\$ 9,757,687	\$ 9,872,954	\$ 9,814,109	\$ 8,771,374
Tuition Charges	833,369	1,153,930	1,318,458	1,252,643	1,706,605	1,581,229	1,213,440	1,618,302	1,529,494	1,254,700
Transportation Charges	13,818	16,692	13,785							
Miscellaneous	90,498	93,898	30,755	84,377	120,442	54,715	127,099	231,693	258,939	190,178
Lease Purchase Proceeds								500,000		
Local Sources							45	5,955		
State Sources	26,689,945	25,854,384	25,936,114	27,024,603	23,888,904	22,241,078	23,321,436	21,998,476	20,739,392	19,739,745
Federal Sources	2,426,400	2,183,889	2,037,102	3,022,174	2,585,829	7,365,877	2,368,993	2,234,606	2,031,483	2,318,386
Total Revenues	41,422,418	40,221,784	39,890,686	41,427,744	38,237,454	40,718,305	36,788,700	36,461,986	34,373,417	32,274,383
Expenditures										
Instruction										
Regular Instruction	11,487,364	11,544,931	11,256,915	11,520,712	11,485,476	12,873,203	11,398,565	11,663,798	10,769,727	10,808,256
Special Education Instruction	3,514,081	3,520,467	3,447,917	3,428,834	3,462,879	3,264,593	3,179,272	2,696,022	2,483,518	2,313,036
Other Special Instruction	1,127,423	1,114,718	1,134,233	1,191,432	1,239,244	1,153,040	886,130	300,043	445,261	472,060
Other Instruction	395,931	406,459	356,606	336,799	336,659	346,272	340,008	338,803	288,410	314,989
Undistributed Expenditures										
Support Services										
Tuition	2,148,659	2,026,092	1,734,327	1,548,220	1,283,439	1,432,634	1,068,462	690,119	568,826	820,778
Student and Instruction Related Services	2,993,688	3,065,970	3,253,474	3,606,010	3,579,218	3,486,959	3,103,331	3,425,284	3,239,839	3,231,188
General Administrative Services	892,094	781,045	934,781							
School Administrative Services	1,528,796	1,530,355	1,400,520	1,533,970	1,533,066	1,664,220	1,580,389	1,401,170	1,338,475	1,364,307
Other Administrative Services	570,147	555,755	561,368	1,411,309	1,379,743	1,355,078	1,404,367	1,316,304	1,294,873	1,268,757
Plant Operations and Maintenance	3,156,324	3,153,643	2,936,380	3,102,427	2,987,832	3,055,618	2,836,767	2,647,060	2,650,061	2,440,559
Pupil Transportation	1,821,753	1,774,562	1,793,153	1,854,255	1,809,753	1,678,099	1,530,292	1,483,886	1,365,056	1,199,947
Unallocated Employee Benefits	9,696,957	9,507,464	9,275,689	8,094,578	7,606,954	6,901,727	7,345,784	8,220,737	7,803,551	6,479,500
Capital Outlay	1,717,805	498,068	730,941	2,826,394	651,899	2,746,225	579,957	496,882	73,487	514,178
Debt Service										
Principal	900,000	845,000	820,000	795,000	775,000	750,000	725,000	1,165,000	1,125,000	1,115,000
Interest and Other Charges	122,898	211,470	239,416	266,391	291,204	314,823	347,879	383,654	422,174	443,417
Total Expenditures	42,073,920	40,535,999	39,875,720	41,516,331	38,422,366	41,022,491	36,326,203	36,228,762	33,868,258	32,785,972
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	(651,502)	(314,215)	14,966	(88,587)	(184,912)	(304,184)	462,495	233,224	505,160	(511,589)
Other Financing Sources (Uses)										
Refunding Bond Proceeds	6,000,000									10,225
Transfers Out									(6,462)	
Cancellation of State Aid			(199,228)	(300,244)					(73,018)	
Total Other Financing Sources (Uses)	6,000,000		(199,228)	(300,244)					(79,480)	10,225
Net Change in Fund Balances	\$ 5,348,498	\$ (314,215)	\$ (184,262)	\$ (388,831)	\$ (184,912)	\$ (304,184)	\$ 462,495	\$ 233,224	\$ 425,680	\$ (501,364)
Debt Service as a Percentage of										
Noncapital Expenditures	2.4%	2.6%	2.7%	2.6%	2.8%	2.6%	3.0%	4.3%	4.6%	4.8%

Source: CAFR Schedule B-2

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Refunds of Prior Year Expenses	\$ 20,246	\$ 23,021	\$ 2,579	\$ 839	\$ 62,609	\$ 9,054	\$ 54,971	\$ 14,552	\$ 2,836	\$ 9,313
Prior Year Tuition	39,029									
Transportation Fee from Other LEAs	13,818	16,692	13,785	1,495	1,546	3,750		4,488		130,634
Interest on Investments	6,164	5,105	6,943	9,573	9,831	14,673	45,458	190,064	185,008	3,607
Miscellaneous	319	41,020	1,834	25,356	22,282	13,023	10,320	645	27,071	
Sale of Obsolete Equipment									250	1,275
Athletic Department Ticket Sales	13,872	15,445	12,049	10,264	10,779		9,350	10,334	9,274	8,838
Facility Use		1,200	1,050		8,150	9,715	3,000	2,000	17,000	
Building Rentals	7,039	7,120	6,300	36,850	5,250	4,500	4,000	9,610	17,500	12,473
	<u>\$ 100,487</u>	<u>\$ 109,603</u>	<u>\$ 44,540</u>	<u>\$ 84,377</u>	<u>\$ 120,447</u>	<u>\$ 54,715</u>	<u>\$ 127,099</u>	<u>\$ 231,693</u>	<u>\$ 258,939</u>	<u>\$ 166,140</u>

Source: District Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Borough of Penns Grove

Fiscal Year Ended June 30,	Assessed Value							Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2015	\$ 3,656,300	\$ 133,711,300	\$	\$	\$ 34,805,100	\$	\$ 3,682,500	\$ 175,855,200	\$	\$ 175,855,200	\$ 61,758,800	\$ 153,129,299	\$ 1.212
2014	3,617,500	134,416,600			33,885,400		3,682,500	175,602,000		175,602,000	62,718,600	167,636,422	1.226
2013	3,497,900	135,369,000			34,908,200		3,682,500	177,457,600		177,457,600	62,202,200	173,865,114	1.213
2012	3,495,400	135,711,800			34,581,200		3,682,500	177,470,900	1,728,950	179,199,850	62,111,700	177,669,170	1.189
2011	3,485,300	135,491,500			34,540,200		3,682,500	177,199,500	1,706,301	178,905,801	63,137,900	181,280,576	1.181
2010	3,486,700	135,709,400			34,895,900		3,682,500	177,774,500	1,789,417	179,563,917	62,908,800	177,774,500	1.495
2009 (3)	3,526,900	135,673,300			34,852,200		3,682,500	177,734,900	1,742,997	179,477,897	62,957,500	183,762,449	1.468
2008	2,494,200	71,006,200			15,073,100		2,173,300	90,746,800	1,032,879	91,779,679	30,060,500	170,937,269	1.468
2007	2,520,300	70,678,900			15,001,100		2,173,300	90,373,600	1,136,915	91,510,515	30,201,600	150,733,841	1.464
2006	2,518,900	69,661,500			14,337,300		2,173,300	88,691,000	1,248,456	89,939,456	30,413,000	133,753,659	1.398

Township of Carney's Point

Fiscal Year Ended June 30,	Assessed Value							Total Assessed Value	Public Utilities (1)	Net Valuation Taxable	Tax-Exempt Property	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate(2)
	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment						
2015	\$ 26,041,800	\$ 433,158,000	\$ 12,856,900	\$ 1,919,200	\$ 125,204,100	\$ 105,509,500	\$ 26,206,500	\$ 730,896,000	\$ 809,372	\$ 731,705,372	\$ 136,716,800	\$ 704,755,689	\$ 1.300
2014	26,564,300	461,614,600	12,886,500	2,020,900	125,265,800	102,986,600	26,206,500	757,545,200	796,031	758,341,231	120,401,800	684,322,638	1.233
2013	26,961,600	431,427,600	12,728,300	2,053,100	124,840,100	102,986,600	26,206,500	727,203,800	1,061,396	728,265,196	119,968,400	706,895,759	1.177
2012	27,705,700	427,796,400	13,147,000	2,056,400	123,439,900	103,110,600	26,206,500	723,462,500	1,112,173	724,574,673	121,122,900	694,349,524	1.127
2011	29,049,700	425,636,200	13,260,000	1,976,800	123,376,000	103,067,900	26,206,500	722,573,100	1,118,859	723,691,959	120,273,800	684,855,706	1.089
2010	28,240,000	421,999,000	13,490,000	2,035,800	124,644,500	103,067,900	26,206,500	719,683,700	1,412,193	721,138,092	121,648,100	719,683,700	1.060
2009 (3)	28,552,500	421,710,900	14,021,100	2,033,400	126,309,400	89,083,800	26,206,500	707,917,600	1,411,270	709,328,870	137,691,600	704,186,993	1.064
2008	11,406,300	208,526,550	6,850,700	1,926,820	67,754,400	42,911,200	13,550,900	352,926,870	753,563	353,680,433	83,484,528	627,267,537	2.177
2007	9,919,400	202,364,425			64,767,810		15,198,000	292,249,635	804,024	345,609,329	80,062,628	527,728,400	2.215
2006	10,209,000	198,070,025			64,917,810		15,198,000	288,394,835	848,453	342,743,456	79,961,528	491,908,623	1.977

(1) Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

(2) Tax Rates are per \$100.00 of Assessed Valuation

(3) Revaluation of Real Property

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(Rate Per \$100 of Assessed Value)
(Unaudited)

Borough of Penns Grove

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Borough of Penns Grove	Salem County	Municipal Open Space	
2015	\$ 1.153	\$ 0.059	\$ 1.212	\$ 1.648	\$ 0.871	\$	\$ 3.731
2014	1.164	0.062	1.226	1.600	0.864		3.690
2013	1.150	0.063	1.213	1.512	0.946		3.671
2012	1.124	0.065	1.189	1.450	0.940		3.579
2011	1.115	0.066	1.181	1.420	0.920		3.521
2010	1.095	0.054	1.149	1.340	0.870		3.359
2009	1.130	0.057	1.187	1.130	0.900		3.217
2008	2.210	0.154	2.364	2.120	1.730		6.214
2007	2.170	0.165	2.335	1.800	1.550		5.685
2006	2.052	0.167	2.219	1.620	1.470		5.309

Township of Carney's Point

Year Ended 31-Dec	District Direct Rate			Overlapping Rates			Total Direct and Overlapping Tax Rate
	Basic Rate (1)	General Obligation Debt Service (2)	Total Direct School Tax Rate	Township of Carney's Point	Salem County	Municipal Open Space	
2015	\$ 1.237	\$ 0.063	\$ 1.300	\$ 0.435	\$ 0.961	\$ 0.001	\$ 2.697
2014	1.171	0.062	1.233	0.413	0.907		2.553
2013	1.115	0.062	1.177	0.392	0.936	0.001	2.506
2012	1.067	0.060	1.127	0.380	0.920		2.427
2011	1.029	0.060	1.089	0.380	0.860		2.329
2010	1.010	0.050	1.060	0.356	0.817		2.233
2009	1.012	0.052	1.064	0.356	0.880		2.300
2008	2.035	0.142	2.177	0.660	1.640		4.477
2007	2.058	0.157	2.215	0.570	1.460		4.245
2006	1.828	0.149	1.977	0.520	1.420		3.917

Source: District Records and Municipal Tax Collector

Note:

1 NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy . The levy when added to other components of the district's net budget may not exceed the pre-budget year net budget by more than the spending growth limitation calculation.

2 The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

Rates for debt service are based on each year's requirements.

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Borough of Penns Grove

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Seaboard Landing LLC	\$ 3,363,100	1	1.92%			
Incollingo's Penns Grove Properties	2,609,000	2	1.49%	\$ 1,641,300	2	1.76%
NJEC Associates & Walgreens	2,313,500	3	1.32%			
Rite Aid of New Jersey	2,000,000	4	1.14%	625,000	6	0.67%
New Jersey Bell Telephone				1,546,487	3	1.66%
Cole AA Penns Grove LLC	1,618,600	5	0.92%			
Family Dollar Store	1,271,800	6	0.72%	487,000	8	0.52%
Qunijan, Richard et als.	1,165,800	7	0.66%	586,300	7	0.63%
JAZ Assets, LLC	1,000,600	8	0.14%			
Bell Atlantic	863,500	9	0.49%	915,300	4	0.98%
C D Gardens, Inc.	676,600	10	0.39%			
Penns Grove Gardens				2,750,000	1	2.94%
NJEC Assoc. c/o R. Briskin Feil Org.				770,700	5	0.83%
Taxpayer #1				384,300	9	0.41%
Troy R. Spencer Enterprises, Inc.				320,400	10	0.34%
Total	\$ 16,882,500		9.18%	\$ 10,026,787		10.74%

Township of Carney's Point

Taxpayer	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Chambers Cogeneration Ltd. Partnership	\$ 52,000,000		7.14%	\$ 26,000,000		8.06%
EI DuPont de Nemours & Co. Inc.	25,000,000		3.43%	13,246,700		4.10%
Conectiv Real Estate	19,028,600		2.61%			
McLane New Jersey	18,442,700		2.53%			
Delaware River & Bay Authorities	12,778,100		1.75%	13,612,000		4.22%
Penns Grove Associates	10,368,600		1.42%	4,800,000		1.49%
CFJ Properties	9,500,000		1.30%	6,778,000		2.10%
Country Gardens Ltd.	8,108,200		1.11%	4,037,500		1.25%
Southgate Health Care Center	7,126,000		0.98%	3,621,600		1.12%
Moors Landing Assoc.				2,500,000		1%
H. W. of Parkview LLC				2,812,000		0.87%
Prime Accounting Dept.				2,800,000		0.87%
Merion Gardens	4,961,800					
Total	\$ 167,314,000		15.15%	\$ 80,207,800		24.85%

Source: Municipal Tax Assessor

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Borough of Penns Grove

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2015	\$ 2,130,951	\$ 1,880,739	88.26%	\$ 250,212
2014	2,076,826	1,437,025	69.19%	639,801
2013	2,152,277	1,655,511	76.92%	496,766
2012	2,114,023	1,624,776	76.86%	489,247
2011	2,111,317	1,644,098	77.87%	267,219
2010	2,013,928	1,794,056	89.08%	219,872
2009	2,130,567	1,621,524	76.11%	509,043
2008	2,170,349	1,343,863	61.92%	826,486
2007	2,137,024	1,637,693	76.63%	499,331
2006	1,995,822	1,616,918	81.02%	378,905

Township of Carney's Point

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	% of Levy	
2015	\$ 9,511,374	\$ 9,511,374	100%	\$
2014	8,291,816	8,291,816	100%	
2013	8,568,357	8,568,357	100%	
2012	7,929,924	7,929,924	100%	
2011	7,824,357	7,824,357	100%	
2010	7,461,478	7,461,478	100%	
2009	7,627,120	7,627,120	100%	
2008	7,702,605	7,702,602	100%	3
2007	7,677,085	7,677,082	100%	3
2006	6,775,552	6,775,549	100%	3

Source: District records including the Certificate and Report of School Taxes (A4F form)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Total District	Percentage of Personal Income ²		Per Capita ³
	General Obligation Bonds ¹	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Income ²		Per Capita ³		
2015	\$ 9,995,000	\$	\$	\$	\$ 9,995,000	1.82%	\$	42,841	
2014	4,795,000				4,795,000	0.88%		42,417	
2013	5,640,000				5,640,000	1.04%		41,997	
2012	6,460,000				6,460,000	0.61%		41,550	
2011	7,255,000		9,995,000		17,250,000	0.55%		41,138	
2010	8,030,000	325,000			8,355,000	0.48%		39,691	
2009	8,780,000	422,505			9,202,505	0.42%		38,973	
2008	9,505,000	505,250			10,010,250	0.39%		39,094	
2007	10,670,000	13,948			10,683,948	0.34%		37,018	
2006	11,795,000	13,603			11,808,603	0.29%		35,380	

Source: District CAFR Schedules I-1, I-2

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

- 1 District Records
- 2 Personal income has been estimated based upon the municipal population per capita
- 3 Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2014

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2015	\$ 9,995,000	\$	\$ 9,995,000	1.17%	\$ 772
2014	4,795,000		4,795,000	0.56%	371
2013	5,640,000		5,640,000	0.64%	434
2012	6,460,000		6,460,000	0.71%	493
2011	7,255,000		7,255,000	0.80%	552
2010	8,030,000		8,030,000	0.89%	610
2009	8,780,000		8,780,000	0.99%	693
2008	9,505,000		9,505,000	2.13%	751
2007	10,670,000		10,670,000	2.44%	846
2006	11,795,000		11,795,000	2.73%	933

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

a See Exhibit NJ J-6 for property tax data.

b Population data can be found in Exhibit NJ J-13.

If a district has resources that are restricted to repaying the principal of debt outstanding, these amounts should be shown in a separate column "Deductions" and be subtracted from the total, and the schedule should be named ratios of net general bonded debt outstanding.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Penns Grove Borough	\$ 1,288,272	100%	\$ 1,288,272
Carneys Point Township	3,063,437	100%	3,063,437
Other debt			
County of Salem - Township's Share	40,278,964	16.294%	6,562,859
Subtotal, Overlapping Debt			10,914,568
Penns Grove-Carneys Point School District Direct Debt			9,995,000
Total Direct and Overlapping Debt			<u>\$ 20,909,568</u>

Sources: Penns Grove-Carneys Point Finance Officer and Salem County Finance Office

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Penns Grove-Carneys Point. This process recognizes that, when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for paying the debt, of each overlapping.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's taxable value.

	<u>Gross Debt</u>	<u>Deductions (3)</u>	<u>Statutory Net Debt Outstanding</u>
Municipal Debt: (1)			
Penns Grove-Carneys Point Regional School District	\$ 10,460,000	\$ 10,460,000	\$ -
Borough of Penns Grove	1,288,272		1,288,272
Township of Carneys Point	4,215,747	1,152,310	3,063,437
	<u>15,964,019</u>	<u>11,612,310</u>	<u>4,351,709</u>
Overlapping Debt Apportioned to the Municipality			
County Of Salem: (2)			
Borough of Penns Grove (4)	1,907,049	735,666	1,171,383
Township of Carneys Point (4)	8,776,922	3,385,796	5,391,126
Salem County Improvement Authority/Utilities Authority (2)			
Borough of Penns Grove (4)	2,239,389	2,239,389	
Township of Carneys Point (4)	226,867	226,867	
	<u>13,150,227</u>	<u>6,587,717</u>	<u>6,562,510</u>
	<u>\$ 29,114,246</u>	<u>\$ 18,200,027</u>	<u>\$ 10,914,219</u>

Sources:

- (1) 2014 Annual Debt Statement
- (2) Salem County, Salem County Improvement Authority Official Statements
- (3) Deductible in accordance with N.J.S. 40:37A-80.
- (4) Such debt is allocated as a proportion of the Borough's and Township's share of the total 2014 Equalized Value, which is 13.38% and 2.91%, respectively. The source for this computation was the 2014 Table of Equalized Valuations, which is supplied by the New Jersey Division of Taxation.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	Fiscal Year Ending June 30,									
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Debt Limit	\$ 34,559,511	\$ 34,559,511	\$ 34,599,511	\$ 34,238,463	\$ 33,907,190	\$ 32,688,613	\$ 30,414,680	\$ 27,233,333	\$ 24,119,919	\$ 21,612,258
Total Net Debt Applicable to Limit	<u>9,995,000</u>	<u>4,795,000</u>	<u>5,640,000</u>	<u>6,460,000</u>	<u>7,255,000</u>	<u>8,030,000</u>	<u>8,780,000</u>	<u>9,505,000</u>	<u>10,670,000</u>	<u>11,795,000</u>
Legal Debt Margin	\$ <u>24,564,511</u>	\$ <u>29,764,511</u>	\$ <u>28,959,511</u>	\$ <u>27,778,463</u>	\$ <u>26,652,190</u>	\$ <u>24,658,613</u>	\$ <u>21,634,680</u>	\$ <u>17,728,333</u>	\$ <u>13,449,919</u>	\$ <u>9,817,258</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	28.92%	13.87%	16.30%	18.87%	21.40%	24.57%	28.87%	34.90%	44.24%	54.58%

Source: Abstract of Ratables and District Records CAFR Schedule J-7

a Limit set by NJSA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Year</u>	<u>Population</u> ¹	<u>Personal Income (thousands of dollars)</u> ²	<u>Per Capita Personal Income</u> ³	<u>Unemployment Rate</u> ⁴	
				<u>Borough of Penns Grove</u>	<u>Township of Carneys Point</u>
2015	** 12,942	\$ 554,450,030	\$ 42,841	11.2%	8.5%
2014	12,936	548,705,924	42,417	11.3%	8.6%
2013	12,991	545,583,027	41,997	13.2%	10.6%
2012	13,093	544,014,150	41,550	26.3%	14.9%
2011	13,155	541,170,390	41,138	26.9%	15.4%
2010	13,166	522,571,706	39,691	25.6%	14.5%
2009	12,667	493,670,991	38,973	16.1%	8.7%
2008	12,659	494,890,946	39,094	13.0%	5.4%
2007	12,616	467,019,088	37,018	13.0%	5.4%
2006	12,644	447,344,720	35,380	13.1%	6.9%

Source:

¹Population information provided by the NJ Dept of Labor and Workforce Development

² Personal income has been estimated based upon the municipal population and per capita personal income presented

³ Per Capita personal income by county-estimated based upon the Census Bureau midyear population estimates, revised November 2014

⁴ Unemployment data provided by the NJ Dept of Labor and Workforce Development

** Estimate

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

(Unaudited)

Borough of Penns Grove

	<u>2015</u>		<u>2006</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

Township of Carney's Point

	<u>2015</u>		<u>2006</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Percentage of Total Employment</u>

Not Available

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function/Program</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Instruction										
Regular	149	160	157	155	144	150	163	165	168	167
Special Education	42	41	45	46	48	42	46	45	43	42
Other Special Education	27	31	29	30	6	6	6	6	7	7
Other Instruction	32	32	30	33	80	80	58	58	51	49
Support Services:										
Student & Instruction Related Services	21	21	20	18	12	13	13	13	13	13
General Administrative Services	2	2	2	2	2	2	2	2	2	2
School Administrative Services	30	30	24	29	28	30	30	29	29	29
Business Administrative Services	5	5	5	5	5	5	5	5	5	5
Plant Operations and Maintenance	54	46	48	41	35	34	35	35	37	37
Pupil Transportation	1	1	1	1	1		1	1	1	1
Food Service	30	36	33	31	31	33	36	36	37	36
Total	<u>393</u>	<u>405</u>	<u>394</u>	<u>391</u>	<u>392</u>	<u>395</u>	<u>395</u>	<u>395</u>	<u>393</u>	<u>388</u>

Source: District Personnel Records

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff (2)	Pupil/Teacher Ratio					Average Daily Enrollment (ADE) (3)	Average Daily Attendance (ADA) (3)	% Change in Average Enrollment	Student Attendance Percentage
						Lafayette-Pershing Elementary	Field Street Elementary	Paul W. Carleton Elementary	Middle School	High School				
2015	2,289	\$ 36,226,675	\$ 15,826	2.93%	212	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,287.3	2,122.2	-2.31%	92.78%
2014	2,342	36,011,810	15,377	0.73%	220	1 : 12.8	1 : 12.0	1 : 10.4	1 : 9.1	1 : 8.9	2,341.5	2,175.3	1.59%	92.90%
2013	2,315	35,337,779	15,265	-1.44%	221	1 : 14.2	1 : 10.8	1 : 11.1	1 : 8.8	1 : 8.7	2,304.7	2,153.5	2.04%	93.44%
2012	2,237	34,645,217	15,487	9.80%	228	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,258.7	2,120.7	-4.02%	93.89%
2011	2,372	33,456,848	14,105	5.56%	238	1 : 8.3	1 : 11.0	1 : 10.8	1 : 9.1	1 : 9.0	2,375.4	2,209.6	-3.22%	93.02%
2010	2,436	32,549,622	13,362	5.71%	229	1 : 13.6	1 : 10.8	1 : 11.1	1 : 8.6	1 : 9.4	2,449.8	2,283.0	-0.91%	93.19%
2009	2,465	31,156,616	12,640	9.53%	231	1 : 15.0	1 : 11.6	1 : 11.6	1 : 8.8	1 : 9.8	2,496.4	2,304.0	-1.47%	92.29%
2008	2,478	28,594,859	11,539	-0.07%	222	1 : 14.6	1 : 12.8	1 : 9.4	1 : 9.5	1 : 10.9	2,496.4	2,338.4	3.40%	93.67%
2007	2,353	27,170,201	11,547	5.35%	213	1 : 15.7	1 : 11.3	1 : 9.4	1 : 9.8	1 : 9.5	2,428.8	2,261.5	3.33%	93.11%
2006	2,314	25,363,273	10,961	-12.34%	223	1 : 16.7	1 : 11.5	1 : 9.8	1 : 9.9	1 : 9.5	2,353.1	2,188.6	2.87%	93.01%

Sources: District records, ASSA and Schedules J-12, J-14

Note: Enrollment based on annual October District count.

- (1) Operating expenditures equal total expenditures less debt service and capital outlay; Schedule J-4
- (2) Teaching staff includes only full-time equivalents of certificated staff. 2006 information obtained from the fall survey.
- (3) Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District Building										
Elementary										
Lafayette-Pershing (1991)										
Square Feet	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470	47,470
Capacity (students)	400	400	400	400	400	400	400	400	400	400
Enrollment	350	393	375	370	369	353	359	387	337	333
Field Street (1955)										
Square Feet	67,901	67,901	67,901	67,901	67,901	67,901	67,901	67,901	66,481	66,481
Capacity (students)	489	489	489	489	489	489	489	489	506	506
Enrollment	547	552	513	511	556	551	559	538	531	529
Paul W. Carleton (1951)										
Square Feet	53,115	53,115	53,115	53,115	53,115	53,115	53,115	53,115	55,515	55,515
Capacity (students)	369	369	369	369	369	369	369	369	369	369
Enrollment	312	313	347	334	334	356	371	345	326	324
Middle School										
Penns Grove Middle School (1935)										
Square Feet	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540	85,540
Capacity (students)	541	541	541	541	541	541	541	541	541	541
Enrollment	485	500	475	499	519	510	492	498	508	512
High School										
Penns Grove High School (1971)										
Square Feet	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000	166,000
Capacity (students)	990	990	990	990	990	990	990	990	990	990
Enrollment	544	564	515	546	594	665	684	687	656	585
Other										
Administration Building (2000)										
Square Feet	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850	7,850

Number of Schools at June 30, 2015

- Elementary = 3
- Middle School = 1
- High School = 1
- Other = 1

Source: District records, ASSA

Note: Year of original construction is shown in parentheses along with additions. Increases in square footage and capacity are the result of any additions. Enrollment is based on the annual October district count.

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE
LAST TEN FISCAL YEARS
Unaudited

UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
 11-000-261-XXX

<u>School Facilities</u>	<u>Gross Square Footage</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Penns Grove High School	166,000	\$ 99,482	\$ 72,038	\$ 71,404	\$ 122,078	\$ 116,262	\$ 192,057	\$ 79,002	\$ 100,741	\$ 93,596	\$ 33,084
Penns Grove Middle School	85,540	97,369	55,072	51,927	76,144	23,044	50,562	39,135	33,030	64,017	49,791
Paul W. Carleton School	53,115	34,679	30,633	17,804	53,584	46,116	27,386	22,294	27,077	17,645	22,925
Field Street School	67,901	30,521	120,897	41,541	55,353	31,817	49,570	29,694	39,120	37,791	34,107
Lafayette-Pershing School	47,470	24,385	41,598	26,822	46,138	20,149	45,298	21,382	19,963	30,331	39,762
Total School Facilities		<u>286,436</u>	<u>320,238</u>	<u>209,498</u>	<u>353,297</u>	<u>237,388</u>	<u>364,873</u>	<u>191,507</u>	<u>219,931</u>	<u>243,380</u>	<u>179,669</u>
Other Facilities	7,850	8,908	5,227	9,314	7,352	4,460	10,330	4,876	4,217	41,018	30,168
Grand Total		<u>\$ 295,344</u>	<u>\$ 325,465</u>	<u>\$ 218,812</u>	<u>\$ 360,649</u>	<u>\$ 241,848</u>	<u>\$ 375,203</u>	<u>\$ 196,383</u>	<u>\$ 224,148</u>	<u>\$ 284,398</u>	<u>\$ 209,837</u>

* School Facilities as defined under EFCFA.
 (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
Unaudited

	Coverage	Deductible
Property, Inland Marine and Automobile Physical Damages		
Limits of Liability	150,000,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible	500	
Perils Included	"All Risk"	
Property Valuation		
Buildings and Contents	Replacement Cost	
Contractors Equipment	Actual Cash Value	
Automobiles	Replacement Cost	
Boiler and Machinery		
Limits of Liability	125,000,000	
GCSSDJIF Self Insured Retention	None	
Member District Deductible		1,000
Crime		
Limits of Liability	500,000	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		500
General and Automobile Liability		
Limits of Liability	15,000,000	
GCSSDJIF Self Insured Retention (SIR)	250,000	
Member District Deductible		None
Workers' Compensation		
Limits of Liability	Statutory	
GCSSDJIF Self Insured Retention	250,000	
Member District Deductible		None
Educator's Legal Liability		
Limit of Liability	15,000,000	
GCSSDJIF Self Insured Retention	100,000	
Member District Deductible		None
Pollution Legal Liability		
Limit of Liability	3,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000
Cyber Liability		
Limits of Liability	1,000,000	
GCSSDJIF Self Insurance Retention	None	
Member District Deductible		25,000

Source: District Records

SINGLE AUDIT SECTION

NIGHTLINGER, COLAVITA & VOLPA*A Professional Association**Certified Public Accountants*

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November 16, 2015

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns Grove-Carneys Point Regional School District
County of Salem, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Penns Grove-Carneys Point Regional School District, in the County of Salem, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education of the Penns Grove-Carneys Point Regional School District's basic financial statements and have issued our report thereon dated November 16, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Penns Grove-Carneys Point Regional Board of Education's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiency in internal control over financial reporting that we consider to be a material weakness, as defined above and which is described in the accompanying schedule of findings and questioned costs. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Penns-Grove Carneys Point Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, labeled Finding 2015-1, that we have reported to the Penns-Grove Carneys Point Board of Education in the separate *Auditors' Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 16, 2015.

Penns-Grove Carneys Point's Response to Findings

Penns-Grove Carneys Point's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Penns-Grove Carneys Point's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of management, the Board of Education, the New Jersey Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant
No. 915

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November 16, 2015

**REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES REQUIRED BY OMB CIRCULAR A-133
AND NEW JERSEY OMB CIRCULAR 04-04 AND/OR 15-08**

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Penns-Grove Carneys Point Regional School District
County of Salem, New Jersey

Report on Compliance for Each Major Program

We have audited of the Board of Education of the Penns-Grove Carneys Point Regional School District, in the County of Salem, State of New Jersey, compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of Penns-Grove Carneys Point Regional School District's major federal and state programs for the fiscal year ended June 30, 2015. The Penns-Grove Carneys Point Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Penns-Grove Carneys Point Board of Education's major and federal state compliance based on our audit of the types of compliance requirements referred above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; OMB Circular A-133 *Audits of States, Local Governments and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04 and/or 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Penns-Grove Carneys Point Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of Penns-Grove Carneys Point Board of Education's compliance with those requirements.

Opinion on Each Major Federal and State Program

In our opinion, the Board of Education of the Penns-Grove Carneys Point Regional School District, in the County of Salem, State of New Jersey, complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Board of Education of the Penns-Grove Carneys Point Regional School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Penns-Grove Carneys Point Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine the auditing procedures for the purpose of expressing our opinion on compliance, and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB's Circular 04-04 and/or 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Penns-Grove Carneys Point Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal or state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a major program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

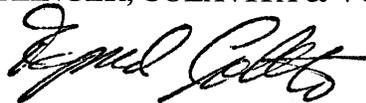
Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB's Circular 04-04 and/or 15-08.

This report is intended for the information and use of the audit committee, management, the Penns-Grove Carneys Point Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

NIGHTLINGER, COLAVITA & VOLPA, PA



Raymond Colavita, CPA
Licensed Public School Accountant - No. 915

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - SCHEDULE A
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Federal Grantor/Pass-Through Grantor / Program Title	CFDA Number	State Project Number	Grant Period From To	Program or Award Amount	June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Year Balances	Adj.	June 30, 2015		
					Accounts Receivable	Deferred Revenue	Due to Grantor					(Accounts Receivable)	Unearned Revenue	
General Fund														
U.S. Department of Education:														
Passed-through State Department of Education														
Medical Assistance Program	93.778	N/A	7/1/14-6/30/15	\$ 196,655	\$	\$	\$ 122,010	\$ (196,655)	\$	\$	\$ (74,645)	\$		
Medical Assistance Program	93.778	N/A	7/1/13-6/30/14	91,891	(2,287)		2,287							
Total General Fund					(2,287)		124,297	(196,655)				(74,645)		
Special Revenue Fund:														
U.S. Department of Education														
Passed-through State Department of Education:														
Special Revenue Fund:														
Title I - Part A	84.010	NCLB407015	7/1/14-6/30/15	1,599,961			1,206,810	(1,365,960)				(159,150)		
Title I - Part A	84.010	NCLB407014	7/1/13-6/30/14	1,599,108	(272,929)		272,929							
Title II A	84.367	NCLB407015	7/1/14-6/30/15	154,438			130,590	(154,438)				(23,848)		
Title III	84.365	NCLB407015	7/1/14-6/30/15	53,727			51,974	(53,727)				(1,753)		
I.D.E.A. Part B, Basic Regular	84.027	IDEA407015	7/1/14-6/30/15	583,931			583,931	(583,931)						
I.D.E.A. Part B, Basic Regular	84.027	IDEA407014	7/1/13-6/30/14	521,150	(176,594)		176,594							
I.D.E.A. Preschool Incentive	84.173	IDEA407015	7/1/14-6/30/15	20,664			20,664	(20,664)						
Race to the Top (Phase 3)	84.395	RTT3407013	9/1/11-11/30/15	105,636	(1,200)		1,200							
Race to the Top (Phase 3)	84.395	RTT3407014	9/1/11-11/30/15	105,636			34,799	(37,068)				(2,269)		
Carl D. Perkins	84.048	PERK407015	7/1/14-6/30/15	13,957			6,996	(13,957)				(6,961)		
Carl D. Perkins	84.048	PERK407014	7/1/13-6/30/14	13,803	(7,019)		7,019							
Total U.S. Department of Education					(457,742)		2,493,506	(2,229,745)				(193,981)		
Enterprise Fund														
U.S. Dept. of Agriculture Passed-through State Dept. of Education:														
Child Nutrition Cluster:														
Cash Assistance:														
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	726,496			671,521	(726,496)				(54,975)		
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	714,325	(55,287)		55,287							
National School Breakfast Program	10.553	N/A	7/1/14-6/30/15	172,121			157,571	(172,121)				(14,550)		
National School Breakfast Program	10.553	N/A	7/1/13-6/30/14	134,013	(11,946)		11,946							
National School Snack Program	10.555	N/A	7/1/14-6/30/15	14,457			13,485	(14,457)				(972)		
National School Snack Program	10.555	N/A	7/1/13-6/30/14	6,948	(428)		428							
Fresh Fruits and Vegetables	10.582	N/A	7/1/14-6/30/15	16,465			14,291	(16,465)				(2,174)		
NSLP Equipment Assistance Grant	10.579	N/A	7/1/14-6/30/15	10,250			5,877	(10,250)				(4,373)		
Breakfast Program Expansion Grant	10.579	N/A	7/1/14-6/30/15	9,798			5,893	(9,798)				(3,905)		
Non-Cash Assistance:														
Food Distribution Program	10.565	N/A	7/1/14-6/30/15	103,114			103,114	(87,929)				15,185		
Food Distribution Program	10.565	N/A	7/1/13-6/30/14	87,145		4,932		(4,932)						
Total U.S. Department of Agriculture					(67,661)	4,932	1,039,413	(1,042,448)				(80,949)	15,185	
Total Federal Financial Assistance					\$ (527,690)	\$ 4,932	\$ 3,657,216	\$ (3,468,848)	\$	\$	\$	(349,575)	\$ 15,185	

See accompanying notes to schedules of financial assistance

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2014			Budgetary Expenditures	Adjustment	June 30, 2015		MEMO	
				(Accounts Receivable)	Unearned Revenue	Cash Received			(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
General Fund - Current Expense:												
Special Education Categorical Aid	15-495-034-5120-089	\$ 1,172,562	7/1/14 to 6/30/15	\$	\$	\$ 1,062,686	\$ (1,172,562)	\$	\$ (109,876)	\$	\$ (109,876)	* \$ 1,172,562
Special Education Categorical Aid	14-495-034-5120-089	1,172,562	7/1/13 to 6/30/14	(107,996)		107,996						
Equalization Aid	15-495-034-5120-078	19,728,590	7/1/14 to 6/30/15			17,879,909	(19,728,590)		(1,848,681)		(1,848,681)	* 19,728,590
Equalization Aid	14-495-034-5120-078	19,728,590	7/1/13 to 6/30/14	(1,817,050)		1,817,050						
Security Aid	15-495-034-5120-084	281,855	7/1/14 to 6/30/15			255,444	(281,855)		(26,411)		(26,411)	* 281,855
Security Aid	14-495-034-5120-084	281,855	7/1/13 to 6/30/14	(25,960)		25,960						
Transportation Aid	15-495-034-5120-014	103,538	7/1/14 to 6/30/15			93,836	(103,538)		(9,702)		(9,702)	* 103,538
Transportation Aid	14-495-034-5120-014	103,538	7/1/13 to 6/30/14	(9,536)		9,536						
PARCC Readiness Aid	15-495-034-5120-098	21,010	7/1/14 to 6/30/15			19,041	(21,010)		(1,969)		(1,969)	* 21,010
Per Pupil Growth Aid	15-495-034-5120-097	21,010	7/1/14 to 6/30/15			19,041	(21,010)		(1,969)		(1,969)	* 21,010
Extraordinary Special Education Aid	15-495-034-5120-473	264,068	7/1/14 to 6/30/15				(264,068)		(264,068)			* 264,068
Extraordinary Special Education Aid	14-495-034-5120-473	108,669	7/1/13 to 6/30/14	(108,669)		108,669						
Nonpublic Transportation aid	15-495-034-5120-014	3,406	7/1/14 to 6/30/15				(3,406)		(3,406)			* 3,406
Nonpublic Transportation aid	14-495-034-5120-014	6,034	7/1/13 to 6/30/14	(6,034)		6,034						
Reimbursed TPAF Social Security Contrib.	15-495-034-5095-002	1,165,785	7/1/14 to 6/30/15			1,109,414	(1,165,785)		(56,371)			* 1,165,785
				(2,075,245)		22,514,616	(22,761,824)		(2,322,453)		(1,998,608)	22,761,824
Special Revenue Fund:												
Preschool Education Aid	15-495-034-5120-086	866,970	7/1/14 to 6/30/15			780,273	(866,970)		(86,697)		(86,697)	* 866,970
Preschool Education Aid	14-495-034-5120-086	866,970	7/1/13 to 6/30/14	(86,697)		86,697						
Department of Agriculture												
Curriculum in Agricultural Science Education	Not Available	10,000	4/1/15-6/30/15		314	7,500	(7,814)					7,814
				(86,697)	314	874,470	(874,784)		(86,697)		(86,697)	874,784

See accompanying notes to schedules of financial assistance

**PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE - SCHEDULE B
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period From To	June 30, 2014		Cash Received	Budgetary Expenditures	Adjustment	June 30, 2015		MEMO	
				(Accounts Receivable)	Unearned Revenue				(Accounts Receivable)	Unearned Revenue	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:												
Capital Projects Fund:												
New Jersey Schools Development Authority:												
Educational Facilities Construction and Financing Act:												
Penns Grove HS HVAC	4070-050-14-1001	\$ 1,803,764	Project Completion		\$	\$	(3,382)	\$	(3,382)	\$	\$	* 3,382
Penns Grove HS Renovation	4070-050-14-1002	3,241,854	Project Completion				(248,355)		(248,355)			* 248,355
Paul W. Carleton ES Renovation	4070-080-14-1003	346,561	Project Completion				(3,982)		(3,982)			* 3,982
Paul W. Carleton HVAC	4070-080-14-1004	706,345	Project Completion				(1,321)		(1,321)			* 1,321
Field Street ES HVAC	4070-090-14-1005	990,533	Project Completion				(1,835)		(1,835)			* 1,835
Field Street ES Renovation	4070-090-14-1006	979,961	Project Completion				(20,895)		(20,895)			* 20,895
Lafayette-Pershing ES Roof, Ext Doors	4070-100-14-1007	466,909	Project Completion				(56,472)		(56,472)			* 56,472
Penns Grove MS Renovation	4070-105-14-1008	4,857,573	Project Completion				(64,488)		(64,488)			* 64,488
Penns Grove MS HVAC	4070-105-14-1010	44,240	Project Completion				(20,660)		(20,660)			* 20,660
Penns Grove MS HVAC - Admin Off	4070-105-14-1011	61,964	Project Completion				(82)		(82)			* 82
							(421,472)		(421,472)			* 421,472
Debt Service Fund:												
Debt Service Aid Type II	15-495-034-5120-075	505,736	7/1/14 to 6/30/15			505,736	(505,736)					* 505,736
State Department of Agriculture:												
Enterprise Fund												
National School Lunch Program (State Shar	15-100-010-3350-023	14,936	7/1/14 to 6/30/15			13,419	(14,936)		(1,517)			* 14,936
National School Lunch Program (State Shar	14-100-010-3350-023	15,471	7/1/13 to 6/30/14	(1,973)		1,973						
				(1,973)		15,392	(14,936)		(1,517)			14,936
Total State Financial Assistance Subject to OMB 04-04/15-08				\$ (2,163,915)	\$ 314	\$ 23,910,214	\$ (24,578,752)	\$	\$ (2,832,139)	\$	\$ (2,085,305)	\$ 24,578,752
On Behalf TPAF Contributions Not Subject to OMB 04-04/15-08												
On-Behalf TPAF Post Retirement Medical	15-495-034-5095-001	1,327,791	7/1/14 to 6/30/15			1,327,791	(1,327,791)					
On-Behalf TPAF Pension Contribution	15-495-034-5095-006	836,404	7/1/14 to 6/30/15			836,404	(836,404)					
Total State Financial Assistance						26,074,409	(26,742,947)					

See accompanying notes to schedules of financial assistance

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1: GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Penns Grove-Carneys Point Regional School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies are included on the schedules of expenditures of federal awards and state financial assistance.

NOTE 2: BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 2 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits for States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3: RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payments in the current budget year, which is mandated pursuant to *N.J.S.A.*, 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with *N.J.S.A.*, 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$38,066) for the general fund and \$0 for the special revenue fund. See Note A (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

PENNS GROVE-CARNEYS POINT REGIONAL SCHOOL DISTRICT.
NOTES TO THE SCHEDULES OF AWARDS
AND FINANCIAL ASSISTANCE
JUNE 30, 2015

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 196,655	\$ 24,887,953	\$ 25,084,608
Special Revenue Fund	2,229,745	874,784	3,104,529
Debt Service Fund		505,736	505,736
Capital Projects Fund		421,472	421,472
Food Service Fund	<u>1,042,448</u>	<u>14,936</u>	<u>1,057,384</u>
Total Awards & Financial Assistance	\$ <u>3,468,848</u>	\$ <u>26,704,881</u>	\$ <u>30,173,729</u>

NOTE 4: RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5: FEDERAL AND STATE LOANS OUTSTANDING

Penns Grove-Carneys Point Regional School District had no outstanding State or federal loans at June 30, 2015.

NOTE 6: OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

NOTE 7: SCHOOLWIDE PROGRAM FUNDS

As the District's Federal Programs are on a schoolwide program basis in the District.

NOTE 8: MAJOR PROGRAMS

Major programs are identified in the Summary of Auditor's Results Section of the Schedule of Findings and Questioned Cost.

NOTE 9: ADJUSTMENTS

There were no adjustments for Federal Awards and none on State Aid, as reflected on Schedule A and Schedule B.

PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

1) Material weakness (es) identified? _____ yes _____ X no

2) Significant deficiencies identified? _____ yes _____ X none reported

Noncompliance material to basic financial statements noted?

_____ yes _____ X no

Federal Awards

Auditee qualified as low-risk auditee?

X yes _____ no

Internal control over major programs:

1) Material weakness (es) identified? _____ yes _____ X no

2) Significant deficiencies identified? _____ yes _____ X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?

_____ yes _____ X no

CFDA Number(s)

Name of Federal Program or Cluster

84.010

Title I, Part A Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? _____ X yes _____ no

PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section I - Summary of Auditor's Results (continued)

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$737,363

Auditee qualified as low-risk auditee? X yes no

Internal control over major programs:

1) Material weakness (es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04 and/or 15-08 yes X no

Identification of major programs:

GMIS Number(s)

Name of State Program

15-495-034-5120-078
15-495-034-5120-089
15-495-034-5120-084
15-495-034-5120-098
15-495-034-5120-097

Equalization Aid
Special Education Categorical Aid
Security Aid
PARCC Readiness
Per Pupil Growth Aid

**PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)**

Section II - Financial Statement Findings

This section identifies the significant deficiencies, material weakness and instances of noncompliance related to the financial statements that are required to be reported in accordance with Government Auditing Standards and with audit requirements as prescribed by the Division of Administration and Finance, Department of Education, State of New Jersey.

Finding: 2015-1

Criteria or specific requirement:

The New Jersey Department of Agriculture requires a School Food Authority to maintain a nonprofit School Food Service. The nonprofit status of the School Food Service is determined by evaluating net cash resources, which may not exceed three months average expenditures.

Condition:

Net cash resources in the Food Service Fund exceeded three months average expenditures.

Context:

Utilizing the USDA net cash resource calculation form, it was determined the District's net cash resources exceeded three months average expenditures by \$61,783, as of June 30, 2015.

Effect:

The New Jersey Department of Agriculture requirement regarding Net Cash Resources was not met.

Cause:

Inadvertent oversight.

Recommendation:

The District should implement a corrective action plan to effectively reduce the net cash resources on hand in the Food Service Fund through capital expenditure or otherwise.

Management's response:

Management is aware of the necessary procedures to be updated and followed.

PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section III - Federal Awards and State Financial Assistance
Findings and Questioned Costs

FEDERAL AWARDS

Finding: NONE

Information on the federal program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

STATE AWARDS

Finding: NONE

Information on the state program:

Criteria or specific requirement:

Condition:

Questioned Costs:

Context:

Effect:

Cause:

Recommendation:

Management's response:

**PENNS-GROVE CARNEYS POINT REGIONAL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2015**

This section identifies the status of prior - year findings related to the general - purpose financial statements and Federal and State awards that are required to be reported in accordance with Chapter 6.12 Government Auditing Standards, U.S. OMB Circular A-133 (Section .315 (a)(b)) and New Jersey OMB's Circular 04-04 and/or 15-08.

STATUS OF PRIOR - YEAR FINDINGS

There were no prior year findings.